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Failed Intervention Leaves World Markets Vulnerable

Dollar Fall Puts Pressure on Investors

By Carl Gewirtz
International Herald Tribune

PARIS — Financial markets are headed into a week of instability as investors and speculators respond to the shock that the world's leading central banks were unable to prevent the dollar from falling to a record low against the Deutsche mark despite repeated rounds of coordinated purchases of the U.S. currency.

Asian markets had closed before the intervention began Friday, and when European markets ended trading it still appeared as if the central banks would prevail.

The battered British pound faces a crisis and few policy options are available. Page 7.

But by the New York close the dollar was worth only 1.4290 DM. Although slightly better than its worst level of the day — 1.4250 DM — the dollar ended well below its previous low, set early last year, of 1.4430 DM.

That leaves the U.S. currency "in uncharted waters; it's not clear where the bottom is," said George Magnus of S.G. Warburg & Co. in London.

Nor is it clear how investors will take this news.

The impression from talking with bankers and investment advisers is that clients are holding significant amounts dollar-denominated assets, compared with investments in other currencies. The dollar has looked relatively inexpensive for some time and expectations have been high that it would snap back as soon as the U.S. economic recovery took hold.

But with the recovery elusive and the dollar looking sickly, the fear is that investors could give up waiting and sell out.

"We're on the verge of a full-blown crisis," said Jim O'Neill, London-based analyst for Swiss Bank Corp. For him, the measure of whether the upset in the currency market becomes more sinister "depends on what impact it has on other financial markets" — U.S. bonds and stocks.

Those markets suffered losses Friday. But the half-point decline in bond prices, modestly pushing up yields, and the 50.79-point loss in the Dow Jones industrial average are not of such magnitude to add to the existing economic problems in the United States.

"Professional investors have only one concern these days — and it's not how to maximize yield or seek out capital gains, it's capital preservation," said Simon Crane, a London-based trading adviser.

"There is an underlying fear, a perception that the Japanese financial system is, at best, shaky and the U.S. political situation uncertain. That's not a recipe for happy markets," he observed.

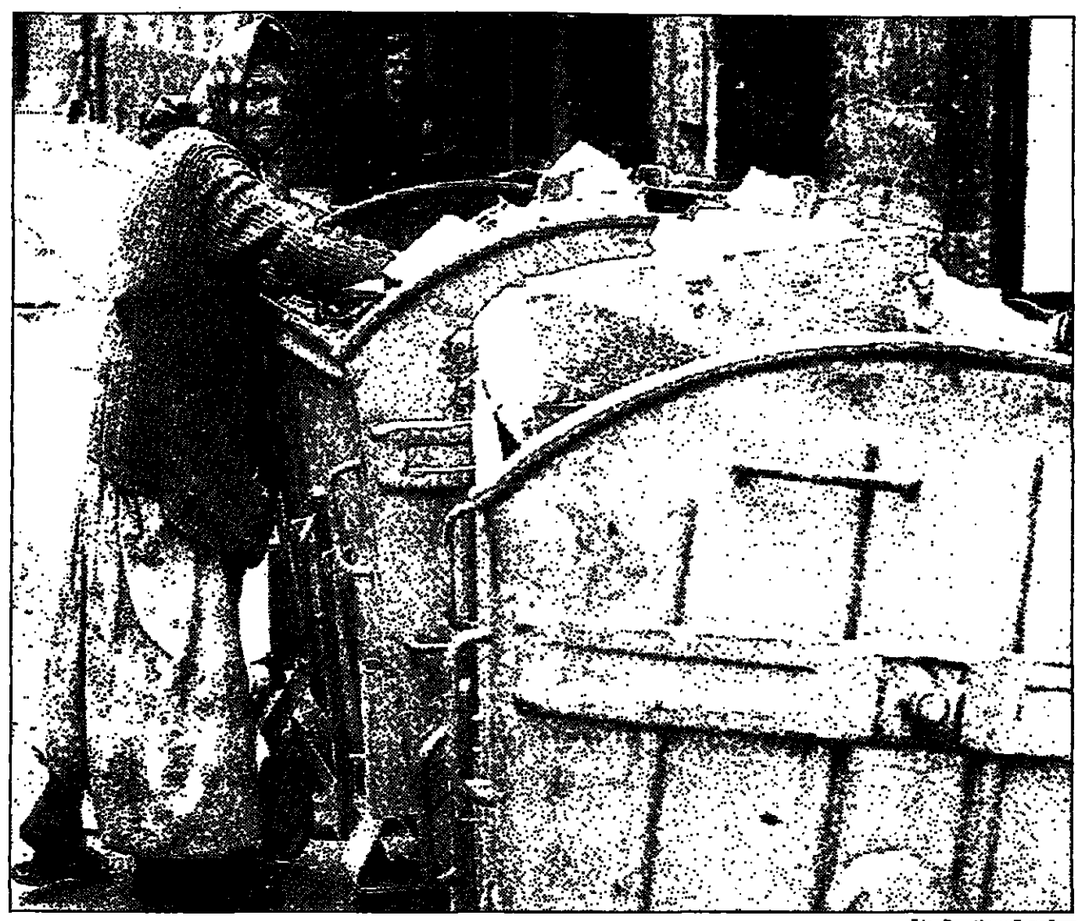
"The potential for a dollar crisis exists," he added, "but not so long as the dollar holds above 1.35 DM."

In the wake of Friday's spectacular failure, analysts said they expected the central banks to refrain from immediately intervening in the currency market.

Bank traders, who lost substantial sums betting that the central banks would succeed, and analysts are scathing in their criticism of the central banks' timing and strategy last week.

Intervention is least effective when trying to change the market's direction. It is especially ineffective when the market knows that officials are not prepared to back their money with policy changes. The Federal Reserve Board is not about to raise interest rates to support the

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Felou Demir/Agence France-Presse
A Muslim woman searching through trash for food on Sunday in Sarajevo as heavy fighting continued on the city's western outskirts.

Bosnians Try To Break Out Of Serb Siege In Sarajevo

Casualties Are Heavy In Government Thrust, Fighting Shuts Airport

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Mortars, grenades and heavy machine-gun fire rocked Sarajevo on Sunday as government forces tried to break the Serbs' noose around the city. Casualties were heavy.

The deputy commander of Bosnian government forces, Zaim Hakovic, said his troops were trying to break out west of the airport to link up with forces outside the city.

Fighting closed the airport to humanitarian aid flights at 10 A.M. after shells hit the runway. A United Nations official said it was uncertain whether the airport, which is guarded by UN peacekeeping forces, would be able to reopen Sunday.

Government forces appeared to be making a last-ditch attempt to gain a military advantage before a peace conference set to begin Wednesday in London. The offensive on Sunday followed three days of shelling that officials described as the heaviest in a month.

The Bosnian president, Alija Izetbegovic, said at a news conference that the assault was a "strategic initiative" that had made headway in the effort to break the siege on the city's western outskirts. His assertion could not be confirmed independently.

Mr. Izetbegovic, who was expected to attend the London conference, said that even if the latest offensive failed, "Sarajevo shall survive" and "we shall fight many months more."

Representatives from warring factions in the former Yugoslavia, including President Slobodan Milosevic of Serbia, are set to attend the three-day peace conference.

The British Foreign Office said that Mr. Milosevic, whom many consider the person chiefly responsible for Serbian aggression in the conflicts in Croatia and Bosnia-Herzegovina, was among eight delegates who would represent Serbia and the rump Yugoslav federation.

The Yugoslav prime minister, Milan Panic, who also will attend the conference, said Sunday before leaving Belgrade for London that he was "prudently optimistic" about the talks.

In London, Foreign Secretary Douglas Hurd of Britain warned Serbs that the West would not allow Bosnia-Herzegovina to be carved up by military might.

"The idea that simply because you or your friends have occupied swaths of territory, the world simply packs up and accepts that, will be shown to be wrong," Mr. Hurd said.

Throughout the night and early Sunday explosions and heavy machine-gun fire could be heard throughout Sarajevo. Shells landed near

See BATTLE, Page 4

Charges, Countercharges and Mockery: U.S. Campaign Heats Up

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — In a new volley of rhetorical blame, President George Bush targeted the Democrats as heathens and Democrats blasted the president's tax-cut proposal as "reckless" and "bogus."

Weekend campaign speeches by Democrats stumping the Great Lakes region and Republicans campaigning in the South were loaded with accusations.

On Sunday, a leading Democrat, Governor Mario M. Cuomo of New York, warned that if Republicans did not curtail what he called "hateful insults of all kinds," the president's party would be "wiped out" in November.

Mr. Cuomo mocked the White House tax-cut approach, which will not be presented in detail until after the election, as an economic rerun of Richard Nixon's 1968 "secret plan" to end the Vietnam War.

He also likened Republican emphasis on a "cultural divide" in America to propaganda tactics used in Nazi Germany. Mr. Cuomo appeared to be referring in part to Mr. Bush's comments Saturday night to an audience of evangelical Christians in Dallas.

Mr. Bush, in that speech, said he was struck by the fact that the word "God" was missing from the Democratic Party platform.

"My party platform is different," he continued. "We're proud to celebrate our country's Judeo-Christian heritage, unrivaled in the world."

During a campaign tour Sunday, Governor Bill Clinton called those remarks "deeply offensive."

The president also repeated his opposition to abortion and his support for organized prayer in public schools as he called for "a moral revival" in the United States.

On Sunday, Mr. Cuomo countered, "My God, what are you saying? That if people don't believe in God the way you do they're somehow inferior?"

He said Americans were "scared to death" of "this version of family values — people getting up there and telling you, 'This is a war over religion, culture.'

"What do you mean by 'culture?' " he asked. "That's a word they used in Nazi Germany! What are you saying?"

"Unless I'm wrong about the intelligence level of the American voter," Mr. Cuomo continued, "if the Republicans don't stop the insults and the stupidity and start getting on the stage and debating Clinton, get on those issues and start making sense, they are going to be wiped out in this election."

Housing Secretary Jack F. Kemp, while defending the president's tax cut notion, acknowledged Sunday that some Republican attacks on social issues went "too far."

"I do not want to see a religious war, a jihad, or some type of battle that splits America," Mr. Kemp said.

Robert M. Teeter, chairman of Mr. Bush's campaign, said in a separate interview that the Republican Party had emerged from its convention last week "much more in the mainstream than the Democrats did."

He stressed the president's broad tax-cut agenda, saying that Mr. Bush favored a "market" economy in which lower taxes and lower spending would lead to economic growth while Mr. Clinton wanted a "managed" economy, higher taxes and more spending.

During a campaign bus tour, Mr. Clinton stressed the need for jobs and branded the Bush tax idea "totally bogus." He said the president

See CAMPAIGN, Page 2

Is Bush Now Even With Clinton?

Compiled by Our Staff From Dispatches

NEW YORK — President George Bush and his Democratic challenger, Bill Clinton, are in a dead heat in the race for the White House, according to a CBS News-New York Times poll.

The survey of likely voters, which was taken Thursday night as Mr. Bush made his acceptance speech, showed Mr. Clinton would win 48 percent of the vote, against 46 percent for Mr. Bush. The poll, of 500 registered voters, seemed to put Mr. Bush into a virtual dead heat, although the results were considered somewhat less reliable than most polls that question more people and last several days. The margin of error was plus or minus 5 percentage points.

A Washington Post survey of 705 registered voters Thursday and Friday nights showed Mr. Clinton with 49 percent and Mr. Bush with 40. The poll had a margin of error of 4 percentage points.

A Newsweek poll gave Mr. Clinton a lead of 53 percent to 39 percent. That survey, conducted Friday among 751 registered voters, was the first taken after the convention. The margin of error in the Newsweek poll was plus or minus 4 percentage points. *(Reuters, NYT, WP)*



David Ake/Agence France-Presse
President Bush wiping rain from his face during a campaign stop in Georgia.



Ulli Michel/Reuters
RETURN FROM THE SEA — A survivor of the sinking of the Greek ship Royal Pacific embracing relatives on arrival in Singapore. The vessel sank off Malaysia after a collision with a trawler. More than 500 of the 534 people were saved. Page 2.

Kiosk

1 Million in Florida Flee Hurricane

The Associated Press

MIAMI — Forecasters warned Sunday that a hurricane heading toward Southern Florida would be the most powerful storm to strike the United States in decades, and more than 1 million coastal residents were ordered to flee.

The hurricane reached the Bahamas on Sunday afternoon with winds of 150 miles an hour (240 kilometers per hour). The outlying eastern islands of Abaco and Eleuthera were affected first. There were four reported deaths.

Governor Lawton Chiles of Florida declared a state of emergency and put the National Guard on alert. Airports, including Miami's, were closing in southern Florida.
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General News

A French view of the RU 486 pill: Putting the woman in charge. Monday Q&A. Page 2.

China's Air Force has the technology to refuel jet fighters in midair. Page 2.

Business/Finance

China warned of retaliation in a trade dispute with the United States. Page 7.

The TWA chairman made concessions in reorganization talks. Page 7.

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With Beijing-Seoul Ties, Burial of Enmity

By Sheryl WuDunn
New York Times Service

BEIJING — With their apparent decision to establish diplomatic relations, China and South Korea are turning their backs on decades of enmity dating from the Korean War and opening the possibility of a new pattern of economic and security relations throughout the region.

South Korea's foreign minister, Lee Sang Ock, began three days of talks here Sunday with Foreign Minister Qian Qichen, focusing on "the normalization of relations," officials said. The two countries were expected to announce establishment of diplomatic ties, perhaps as early as Monday.

Taiwan, China's rival, responded by saying that it would cut its links with Seoul. China refuses diplomatic ties with nations that have such links with Taiwan. Both Taipei and Beijing claim to be the legitimate government of all China.

The new relations would probably stimulate sharp increases in trade and investment between China and South Korea. But they also raise fundamental questions about the prospects for security and peace in the region.

Will ties further isolate North Korea, driving it to intensify an effort to build nuclear weapons? Or will China, which sent more than a million troops to fight on Pyongyang's side in the 1950-53 Korean War, act as a broker between the two Koreas, pressing the North to forsake its ambitions of becoming a nuclear power?

China will continue to recognize North Korea, but Pyongyang has strongly opposed its

South Korean companies see short-term harm from broken relations with Taiwan. Page 7.

ally's recognition of what it calls the "puppet regime" in the south.

Some diplomats warn that a more isolated North Korea could be more dangerous. China has discouraged the North from developing a nuclear bomb, and it may lose leverage if it forges stronger links with Seoul.

Others say the South may be able to enlist more help from China in persuading North Korea to abandon its nuclear ambitions. Seoul may also hope that China will encourage the North to agree to international nuclear inspections of more installations, or at least to reduce its forces and stop digging tunnels at the border with the South.

Press reports from Seoul suggest that China may have apologized to South Korea for helping the North during the war. But so far China has given no public indication of a change in its position that its participation was a noble effort to combat U.S. aggression.

The war began in 1950 after North Korea launched a surprise attack on the South. But the Chinese version of history is still that the South started the conflict.

In the fall of 1950, China sent its forces to join North Korea in the fight, embroiling newly communist China in a hostile three-year war. Under the auspices of aiding a fraternal socialist country, China battled against U.S.-backed South Korean forces to a stalemate that led to the division of the Korean Peninsula.

Mao Zedong's son was killed in a U.S. bombing raid during the war. The Chinese name for the conflict is "the war to help Korea and resist America," and during the early 1950s many patriotic Chinese named their children Yuanchao, or Help Korea.

China sometimes has described its relation-

See TIES, Page 2

Israel Releases 800 Detainees On Eve of Talks

By David Hoffman
Washington Post Service

JERUSALEM — Prime Minister Yitzhak Rabin announced the release of 800 prisoners Sunday in a gesture to Palestinians on the eve of resumption of negotiations in Washington that will be the first serious test of whether Mr. Rabin's election has changed the outlook for Middle East peace.

For the first time since the Middle East peace talks began in Madrid last October, Israel, the Palestinians and the Arab states are committed to a monthlong working session, compared with only a few days in each of the previous five meetings.

Moreover, Mr. Rabin has instructed Israeli negotiators to offer more flexible bargaining positions to the Palestinians than were tabled by the Likud government under Prime Minister Yitzhak Shamir. Mr. Rabin wants to reach agreement on general elections and self-rule for the 1.7 million Palestinians in the West Bank and Gaza Strip.

To make the point that his government seeks progress in the talks, Mr. Rabin announced several limited measures, including the release of 800 detainees who have served two-thirds or more of their terms: reopening of homes sealed by the authorities for more than five years; and gradual reopening of some streets that had been closed during the Palestinian uprising, or *intifada*.

He also announced that Arab laborers over age 50 will not need special permits to work in Israel. Previously the threshold was 60 years old.

But the new Israeli negotiating approach comes at a time of frustration and anger among

See MIDEAST, Page 4

Affair No 'Great Moral Dilemma,' Woody Allen Says

By Dennis Hevesi
New York Times Service

NEW YORK — Woody Allen says that he did not see "any great moral dilemma" in becoming the lover of Mia Farrow's daughter, that he took nude photographs of the young woman as "a lark," and that he never molested his 7-year-old daughter.

In an interview with an editor of Time magazine, Mr. Allen, who is in a child custody battle with Ms. Farrow, his companion of 12 years, also said that he was never "any type of father" to Ms. Farrow's adopted children, "in any sense of the word."

"I did think that, well, she *is* the adoptive daughter of my previous girlfriend," Mr. Allen said of his relationship with Soon-Yi Farrow Previn. "But that didn't mean anything to me.

"She was a grown, sophisticated person. She was raised in New York. I didn't feel that, just because she was Mia's daughter, there was any great moral dilemma.

"It wasn't like she was my daughter," he added.

Miss Previn's age has been given as 21 or 19 according to different family sources.

Earlier this month, Mr. Allen filed suit to gain custody of his and Ms. Farrow's three children, two of whom are adopted. Ms. Farrow, who has been married twice (to Frank Sinatra and André Previn) has 11 children, 7 of whom are adopted.

Last week Mr. Allen held a press conference to deny sexually abusing Dylan, 7, the adopted daughter whose custody he is seeking. Lawyers for Ms. Farrow said that Connecticut authorities began an investigation after Ms. Farrow took the child to a doctor, who made a report to child welfare officials.

A spokeswoman for Mr. Allen, Leslee Dart, said Saturday that Mr. Allen had been interviewed by child welfare investigators earlier in the week.

In the Time article, Mr. Allen acknowledged having taken nude pictures of Miss Previn. "Soon-Yi had talked about being a model and said to me, would I take some pictures of her without her clothes on," he said. "And at this time we had an intimate relationship, so I said sure, and I did. It was just a lark of a moment."

Asked if he had molested his daughter, he said, "I have not molested my daughter, nor would I ever.

"Allegedly, I took her in the attic, according to what the child protection agency told me was the allegation, and did unspeakable things to her. But nothing at all happened. Nothing. In light-years, I wouldn't go into an attic. I wouldn't even know how to find Mia's attic. I am a famous claustrophobic. And I would not molest my daughter."

A French View of Abortion Pill: Putting Women in Charge

The U.S. Supreme Court has upheld a Food and Drug Administration ban on the abortion pill RU 486, which is used in France and Britain as an alternative method of abortion in the early stages of pregnancy. The ruling came after the drug was confiscated from a California woman who tried to bring it into the United States for her own use. The family planning center at Broussais Hospital in Paris was one of the first clinics to test the pill in 1984. Elisabeth Aubény, the clinic's director, spoke with Heather Green of the International Herald Tribune.

Q. What are your general views about abortion?

A. Every abortion is considered a failure. It presents an important ethical question: It is always the termination of a potential life. But we think that every woman has the right to decide for herself. Once a woman has decided to have an abortion, nothing will stop her.

Q. What does RU 486 signify?

A. RU 486 was developed by the French pharmaceutical company Roussel Uclaf, hence the letters RU. As for 486, it is the name of the series that is currently used.

Q. How does it work?

A. It is an anti-progesterone that replaces the progesterone in the woman's system. Progesterone is essential in all

MONDAY Q&A

phases of pregnancy. The woman takes three tablets on her first visit to the clinic. She returns to the clinic 48 hours later to take two tablets of prostaglandine, which induces uterine contractions. She stays at the clinic for the next four hours, under medical observation. The majority, 63 to 75 percent, of the expulsions of the fetus occur during those four hours. The others occur at home during the following 24 hours. We have a 96 percent success rate.

•

Q. Can the method be used at any time during pregnancy?

A. Only in the early stage. It is not used after the 49th day after the last menstrual period.

Q. Overall, how would you characterize the RU pill?

A. It is a good technique, but it isn't a miracle pill. The RU, as with any other medical technique, assures that the procedure, the abortion, occurs under the best physical and psychological conditions.

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Q. Roussel Uclaf, the drug's manufacturer, says it will not make the drug available in countries where the social climate is hostile to abortions. What do you think of this decision?

A. It is too bad that American woman do not have this available to them because our experience has been very positive. The advantage of the RU is that the abortion is terminated early in the pregnancy, when other methods are less effective. The choice between methods gives women more freedom. At the moment, RU 486 is used under medical supervision, but perhaps we will eventually reach the point where a woman can go through an abortion at home. There are women who like it, but there are those who don't like it at all. They say they don't like being alone.

Q. More than 110,000 women in France have used the RU 486 since its introduction in 1987. What reactions have you observed?

A. Women become responsible for themselves. They become involved because it is the woman who takes the pill. The RU offers a choice between an abortion by a drug and a surgical one. I think that it is important to note that the number of abortions administered has not gone up since the introduction of the RU.

Q. Is there controversy in France over abortion rights?

A. Certainly there exists a threat to women's freedom to choose an abortion, without that meaning a complete reversal. But I think that in France we have strong memories of the situation when abortions were illegal. There is a general consensus in France on that; we are not going to change the law. But there are ways to hinder the administration of abortions: personnel are let go, clinics are closed down, fewer counselors are hired.

Q. Do you think the U.S. debate over abortion rights has promoted debate in France?

A. It is indisputable that what is going on in the States has had an effect here. For instance, the first time that the center was occupied by protesters in 1990, it was by an English-speaking group.

Q. Your medical team was one of the first to get involved in development of the RU 486. What motivated that interest?

A. We became interested in 1984 when Dr. Etienne-Emile Baulieu, the pill's developer, announced the possibility of a medical alternative to surgical abortion. We were particularly interested because we specialize in early abortions. We think it is better for it to be done as soon as possible if a woman has decided to terminate a pregnancy. There are fewer medical complications.

Q. How do you see your role as a doctor and do you think that RU 486 changes that role?

A. My role in this clinic is to counsel. To be near, from a medical standpoint. A doctor is very important in a surgical abortion: Everything depends on us; without us, nothing could be done. I am glad that RU hands the responsibility over to women and that women can take charge of the act.

Cruise Ship Sinks Off Malaysia

At Least 4 Are Dead and 26 Missing After Vessels Collide

Compiled by Our Staff From Dispatches

PORT DICKSON, Malaysia — A Greek cruise ship with 534 passengers and crew sank in the Strait of Malacca on Sunday after a collision with a fishing trawler. Officials reported at least 4 people dead, 70 injured and 26 missing.

The police said a Taiwanese trawler, Terfu 51, struck the 13,000-ton Royal Pacific, leaving a hole "big enough for two buses." They said there were no injuries among the 24-man crew of the fishing vessel, which headed for port under its own steam.

Several survivors said the crew gave them no warning or help after the collision at 3 A.M.

"Everybody panicked and jumped out into the dark sea," Mohammed Shahruddin said after he and other survivors were picked up by rescue vessels.

"We were not even shown how to put on a life jacket," said Siew Lay Chin of Singapore, traveling with her husband and two small daughters.

"We did everything by ourselves," she said. "No crew was there to help us. We threw our daughters in the water first, then jumped in. It took us half an hour to reach the rubber dinghy and another hour for the lifeboat to come. The crew was so multiracial they did not know what each other was speaking."

Officials said most of the crew were Singaporean and 19 were Greek.

"There was no emergency warning," said Kristine Tang, an Australian tourist. "I was awake at the time. Some friends knocked on the door. Otherwise we would not have known."

Another passenger, Joyce Lelah, said: "Some young people were on deck and saw the whole thing happening. They started running around banging on doors and telling people to get out."

An American passenger, Susan Hopley, 43, of Washington, D.C., told reporters in Port Dickson that she was awakened by the collision. Crew members told her to be calm, but she "kept thinking of the Titanic."

She said she fell into the water as her lifeboat was being lowered, and a Malaysian marine police boat picked her up and brought her to Port Dickson.

The Royal Pacific, which left Singapore on Friday night for a two-day cruise along the Malaysian coast, sank about two hours after the collision.

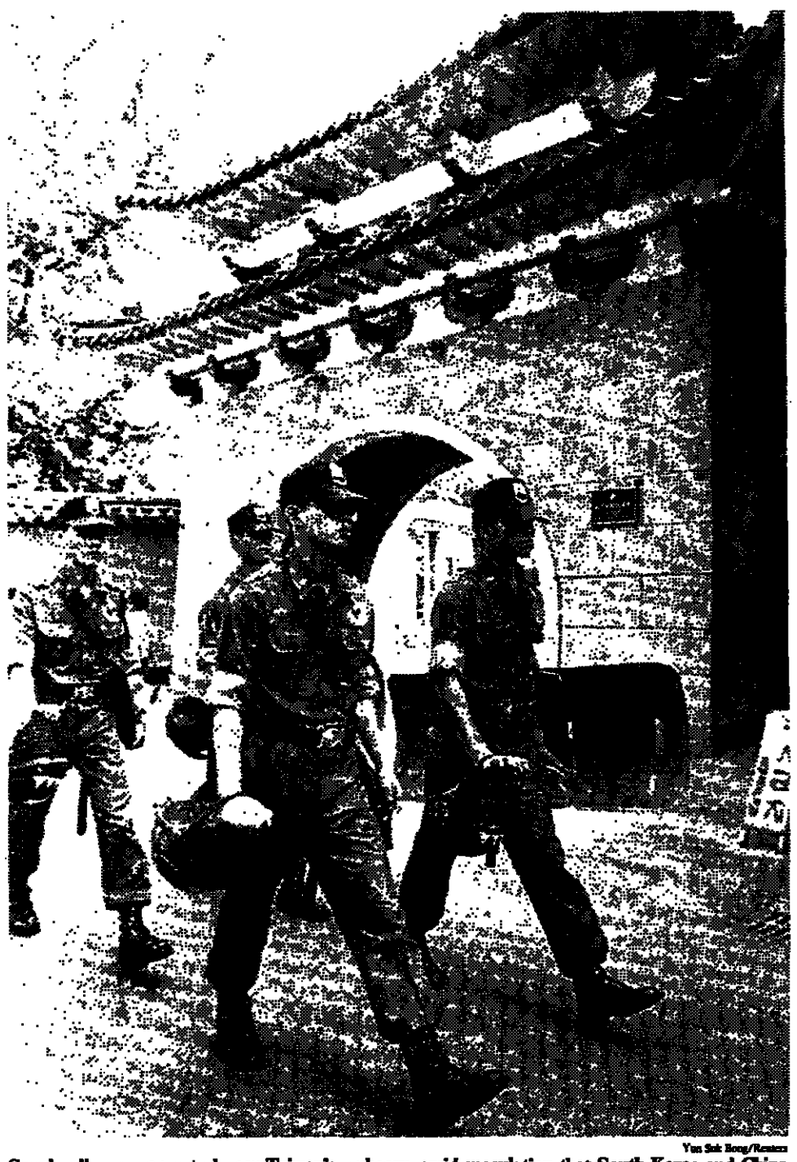
Officials in Port Dickson, south of Kuala Lumpur, said the Japanese ship Marissa, with 193 survivors, was headed toward Singapore. Most of the other survivors were aboard a Greek ship, the Chapai, which was headed to Port Dickson.

A spokesman for the cruise ship's managers in Greece said he talked by radio to the captain of the ship, Anastasios Papagiannis, who was aboard a rescue boat. He said Mr. Papagiannis reported that the fishing trawler had been just behind and to the left of the Royal Pacific when it tried to cross to the right.

He said the trawler misjudged the distance and slammed into the stern of the ship, tearing a hole in it below the water line.

Royal Pacific, built in 1965 and formerly named Empress and Empress of Australia, is managed by Tony Travel and Agency Ltd. of Piraeus, Greece.

(AP, Reuters)



Yun Suk Rong/Reuters

Seoul policemen on patrol near Taiwan's embassy, amid speculation that South Korea and China would establish diplomatic ties. Taiwan has said it will cut its links with South Korea if that happens.

China Obtains Technology to Refuel Jets in Midair, Extending Its Power

By Nicholas D. Kristof
New York Times Service

BEIJING — The Chinese Air Force has obtained the technology to refuel its jet fighters in midair, an ability that will allow it to extend its power beyond China's borders and is likely to alarm neighboring countries, according to military experts.

The air force will probably need several years of rigorous preparation and training before it can use the new technology effectively, the experts say. But some add that by the end of the 1990s, in-flight refueling could significantly enhance the armed forces' clout.

"The long-term implication is that China may be more effective in using its military power in a regional capacity," said G. Keith Jacobs, an analyst of the Chinese military who is based in the United States. "This is a development that will have only a slight impact in the middle of the decade but could become far more serious late in the 1990s."

China has not acknowledged that it has obtained the refueling technology. Asked to confirm or deny the acquisition of the technology, the Foreign Ministry took two days before responding. "The reports you raise are inconsistent with reality."

But diplomats and military specialists are virtually certain that Beijing has acquired the technology. They say China apparently intends to use aerial refueling to enforce its claims to territories in the South China Sea, which extends 800 miles (1,440 kilometers) south of the nearest populated Chinese territory.

Over the last few months, Beijing has taken a more assertive stance toward the claims. This has alarmed not only the five Southeast Asian countries that have conflicting claims, but also Japan, which imports oil on tankers that pass through the area in dispute.

Most military experts believe that China obtained the refueling technology from Iran. Some believe that Pakistan and Israel may have also helped.

In another sign of a more assertive approach, the newspaper People's Daily reported this month that China had spent $4 million building a fresh-water supply system on one of the Paracel Islands in the South China Sea. The water is thought to be intended to serve a permanent military base.

"China is certainly the military power to keep an eye on," said Robert C.M. Hall, the editor of Jane's Intelligence Review, a monthly magazine, based in London, about potential conflicts around the world. "It is going much more toward a longer-reach capability at sea."

China is also building a new generation of destroyers and frigates, and military leaders are said to be considering the purchase of an aircraft carrier from Ukraine.

China appears to have learned how to use aerial refueling only in the last year or so and faces enormous obstacles in fully incorporating it.

One problem is that China's F-7 fighter cannot be adapted to in-flight refueling. And it is uncertain if the longer-range F-8-2 is adaptable.

But China is taking delivery of 24 Russian-made Su-27 fighters this year, and they can be refueled in flight. And China's H-6 bomber can apparently be adapted for aerial refueling.

The air force is believed to have converted a Yun-8 transport plane into an aerial fuel tanker, and it may also have similarly converted an H-6.

Foreign military experts doubt that Chinese pilots could be counted on to refuel their fighters unless they have several years' more practice. But even without dramatic increases in training, aerial refueling will make a significant difference in China's ability to project military power in Asia, said Andrew Yan, a specialist on China at the Hudson Institute in Washington.

Duchess Leaves Balmoral, But the Pictures Continue

Compiled by Our Staff From Dispatches

LONDON — The Duchess of York left Balmoral Castle, the Scottish estate of Queen Elizabeth II, on Sunday amid the scandal generated by photographs taken of her with a Texas businessman. She and her two daughters left while other members of the royal family attended a church service.

The duchess, 32, flew to London and drove to her rented house in Surrey, where police and security guards had to fend off television crews and photographers. Speculation has mounted that the duchess may go to live with her mother in Argentina or with her sister in Australia.

Buckingham Palace said she left Balmoral as planned earlier. "There was no change in the arrangements," a spokesman said. Prince Andrew, her husband of six years, from whom she separated in March, stayed at Balmoral.

British newspapers on Sunday published more photographs showing the queen's daughter-in-law at a villa on the French Riviera kissing and cuddling John Bryan, 37, a wealthy American who had been identified earlier as her financial adviser.

An opinion poll in the Sunday Express newspaper showed that 86 percent of those questioned thought the duchess, the former Sarah Ferguson, should be stripped of her title if the separation from Andrew is formalized. *(Reuters, AP)*

TIES: *China and South Korea Near Diplomatic Links*

(Continued from page 1)

ship with the North by saying it is "as close as lips and teeth." Partly because of the closeness of the past relationship, China is likely to continue to emphasize its friendship with North Korea despite recognizing Seoul.

Still, China will have to make a small but symbolic change that North Korea will not like — the redrawing of its maps.

Current Chinese cartography shows one Korea, with Pyongyang as its capital, but presumably China will have to issue new maps showing a divided Korea with two capitals.

China's senior leader, Deng Xiaoping, is believed to have encouraged ties between South Korea and China. His youngest son, Deng Zhifang, is a businessman who has paid visits both to North and South Korea, and he may have played a significant diplomatic role.

For decades, China's ties with North Korea and Taiwan's relations with South Korea were built on ideological similarities. But new links would be dominated by pragmatism.

Economic trade between China and South Korea has surged, reaching $5.8 billion in 1991, far more than China's trade with the North.

The new ties offer even greater potential, particularly in the Chinese coastal province of Shandong where South Korean investment has already developed. South Koreans are also likely to pour funds into Jilin Province, where many ethnic Koreans live.

In the past, South Korean businesses were hesitant to invest heavily in new factories because of political uncertainty between the two countries. At the end of 1991, South Korea had pledged to invest $108 million in China, according to Chinese statistics.

In contrast, trade between South Korea and Taiwan was slightly more than $3 billion last year, and Chinese trade with North Korea was far less than that. Beginning this year, Beijing demanded that North Korea pay in cash, rather than barter, for its imports, but it was forced to relax its demands because of North Korea's shortage of hard currency.

China apparently has also been trying to urge North Korea to open its economy, and North Korean delegations have toured China's economically advanced regions in the south.

Although Taiwan still expects to maintain strong economic links with South Korea, it complained of betrayal and apparently will halt — if only temporarily — direct flights and eliminate or reduce trade preferences to South Korea. Severing links with Seoul would leave Taiwan with formal ties with only 29 countries.

CAMPAIGN: *Charges, Countercharges and Mockery*

(Continued from page 1)

had "imperiled our national security by having no economic plan."

But Mr. Cuomo said Mr. Bush would not provide details of his tax-cut plan because it would be politically unpopular to point out how much federal spending would have to be cut to balance the revenue loss. He also said that the falling dollar indicated that world markets feared Mr. Bush's plan.

"The rest of the world isn't getting conned by balloons and conventions," he said. "What they're saying is: 'You guys don't know what you're doing, if you're talking now with this huge debt, huge deficit — you need money for everything. You're broke. And you're saying you're going to give people back maybe a billion dollars?' "

Republican attacks on the Democratic-controlled Congress did not go unanswered Sunday.

After hearing a week of "Clean the House!" chants from Republicans and a vow from Mr. Bush to run against Democrats in each congressional district, the House speaker, Representative Thomas S. Foley, fought back.

The president "has talked recklessly of undefined cuts" in taxes and federal spending, Mr. Foley said Sunday in a televised interview. He warned that such an approach, which the president has declined to detail, would require the elimination of farm programs, foreign aid and host of other social programs generally favored by the public.

Citing Mr. Bush's frequent vetoes, Mr. Foley termed Mr. Bush a "do-nothing president on domestic policy" who has caused legislative "gridlock" in Washington.

A range of opinion polls gave some comfort to Mr. Bush and some to Mr. Clinton. Much of the movement in the head-to-head numbers came in falling ratings for Mr. Clinton rather than rising ratings for Mr. Bush.

Some surveys showed that Republican men moved strongly toward Mr. Bush but that independent-minded voters, who are considered a swing vote, did not. Other surveys showed that women were much more likely to support Mr. Clinton than Mr. Bush — a widening of the so-called "gender gap."

Underlying issues such as Mr. Bush's job rating, his handling of the economy and the direction of the nation did not shift as much as the raw Bush-Clinton numbers.

A two-day survey for The Washington Post and ABC News, conducted Thursday and Friday as the Republican National Convention ended, showed that Mr. Clinton was the presidential choice of 49 percent of respondents while Mr. Bush was favored by 40 percent.

The loss for Mr. Clinton was 11 points from the preconvention Washington Post-ABC News poll, and the gain for Mr. Bush was 6 points. That 6-point rise — often called a convention "bump" or "bounce" — was about average for conventions. Some analysts had suggested, however, that Mr. Bush needed a double-digit bounce to remain truly competitive.

A poll by The New York Times and CBS News, although somewhat less reliable because of a small sample, placed Mr. Bush within three percentage points of Mr. Clinton, with the Democrat favored by 45 percent and Mr. Bush by 42 percent.

WORLD BRIEFS

Moscow Book Insists Gorbachev Lost Control of 'Nuclear Suitcase' in Coup

MOSCOW (NYT) — President Mikhail S. Gorbachev lost control of the "nuclear suitcase" containing the codes for the Soviet nuclear arsenal on the afternoon before the coup d'état last August, at the moment when communications to his Crimean villa were cut, Russia's chief prosecutor says in a new book.

The next day, Aug. 19, when the coup was in full swing, the suitcase and the team assigned to guard it were taken by plane from the Crimea back to Moscow. There, according to an earlier account by the former chief of staff, General Mikhail A. Moiseyev, the codes to the nuclear button were changed and stored in a "safe place."

The new assertions appeared in excerpts in the newspaper Nezavisimaya Gazeta from "The Kremlin Conspiracy: The Investigators' Version," by the chief prosecutor, Valentin Stepankov, and his assistant, Yevgeni Lisov.

The account of how the coup plotters managed to isolate not only Mr. Gorbachev but also the special team assigned to guard the "nuclear suitcase" ended with the revelation that in fact the Soviet military had the means to trigger a reactive strike without the president's approval.

Azerbaijanis Hit Armenian Enclave

MOSCOW (AP) — Azerbaijan's air force continued to bomb Stepanakert, the capital of the ethnic Armenian enclave of Nagorno-Karabakh, on Sunday, destroying private homes and killing at least 15 civilians, the region's press center reported. Meanwhile, 13 bodies have been pulled so far from the rubble of a refugee hostel in Stepanakert bombed by jets on Saturday.

Elsewhere in the enclave, Azerbaijani jets bombed an Armenian church in Shusha during Sunday services, the press center said. There was no immediate report of casualties.

The former Soviet republics of Armenia and Azerbaijan have been fighting for four years for control of Nagorno-Karabakh, an ethnic Armenian Christian enclave entirely within Muslim Azerbaijan. The conflict has killed more than 2,000 people and turned hundreds of thousands into refugees.

Georgia Readies Army for Abkhazia

TBILISI, Georgia (AP) — Georgia mobilized part of its armed forces on Sunday and ordered the rest to be ready to serve after a coalition of Caucasus Mountains peoples said it was sending armed militants to the rebellious region of Abkhazia.

At an emergency meeting of the ruling State Council, the Georgian leader, Eduard A. Shevardnadze, said the partial mobilization would be carried out in two areas of Abkhazia and in Svanetia. The action came 10 days after Georgia sent 3,000 soldiers to the western Abkhazian region and took control of its capital, Sukhumi, in fighting that killed at least 50 people.

The police in Tbilisi were put on alert against terrorist attacks on Sunday. The State Council tightened security around such sites as broadcasting facilities.

Police Raid Kills 7 Egypt Muslims

ASYUT, Egypt (AP) — The police killed seven Muslim extremists in southern Egypt in the country's bloodiest confrontation this year, a police official said Sunday.

A security spokesman for Asyut Province said that 500 policemen surrounded the village of Minqabad on Saturday night after a tip that Muslim militants were hiding in a house there.

The spokesman said that "when the extremists felt they were surrounded they started shooting, and there was an exchange with policemen." He said that seven militants were killed and that five fled. No policemen were hurt.

For the Record

Guards in most French prisons have returned to work, ending a strike over the murder of a guard by an inmate, the Justice Ministry said. Guards say staff shortages are jeopardizing their safety. *(Reuters)*

TRAVEL UPDATE

U.S. Warns Travelers, Citing Iraq

WASHINGTON (Reuters) — The State Department has warned Americans to avoid Jordan and cautioned against travel in the Mideast, Southern Asia and North Africa because of mounting tensions with Iraq.

"Tension in the Gulf region has increased as a result of Iraq's growing pattern of defiance of U.S. Security Council resolutions," a department statement said. It advised Americans to defer nonessential travel to Jordan "due to the increased risk of possible terrorist acts directed against the U.S. government or U.S. citizens." Americans in the Middle East, Southern Asia and North Africa "should be aware of the possible risk of hostile actions," it said.

A large section of San Felice Circeo, one of Italy's most popular parks, was destroyed by a brush fire believed to have been deliberately set, officials said. The park is halfway between Rome and Naples. *(Reuters)*

This Week's Holidays

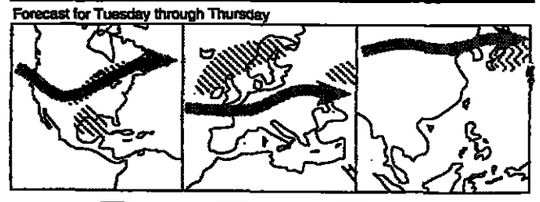
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Liberia.
TUESDAY: India, Uruguay.
WEDNESDAY: Namibia.
SATURDAY: Hong Kong.
SUNDAY: Turkey.

Sources: J.P. Morgan, Reuters.

The Weather

Forecast for Tuesday through Thursday



North America
Hurricane Andrew, after pounding south Florida Monday, will take aim at the western Gulf Coast late Tuesday or Wednesday, possibly affecting New Orleans or Houston. New York City will be rather sunny and warm Tuesday and Wednesday.

Europe
A gusty wind and a few showers will occur in London Tuesday, and possibly again Thursday. Rather sunny, warm weather is in the offing for Madrid Tuesday through Thursday, while Paris will gradually become warmer.

Asia
Tokyo will be hot Tuesday through Thursday with some sun each day and no more than a passing shower. Manila and the northern Philippines will have more showers and thundershowers this week, but the rain is not expected to be as heavy as last week.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	34/93	18/64 s	32/89	18/64 s
Amsterdam	21/70	13/55 pc	18/64	13/55 pc
Ankara	31/88	18/64 pc	31/88	17/62 s
Athens	33/91	23/73 s	32/89	22/71 s
Barcelona	32/89	22/71 s	33/91	23/73 pc
Belgrade	30/86	20/68 t	30/86	19/66 t
Berlin	18/64	13/55 pc	17/62	11/52 sh
Brussels	21/70	11/52 pc	22/71	13/55 pc
Budapest	27/80	14/57 t	24/75	13/55 c
Copenhagen	16/61	12/53 r	17/62	11/52 sh
Costa Del Sol	34/93	23/73 s	32/89	22/71 pc
Dublin	18/64	9/48 c	14/57	11/52 r
Edinburgh	16/61	10/50 r	17/62	10/50 pc
Florence	32/91	17/62 s	28/82	15/59 t
Frankfurt	19/66	13/55 pc	21/70	11/52 pc
Geneva	21/70	13/55 pc	23/73	12/53 s
Helsinki	18/64	9/48 sh	16/61	9/48 r
Istanbul	29/84	19/66 pc	28/82	21/70 c
Las Palmas	29/84	19/66 pc	30/86	20/68 s
Lisbon	33/91	18/61 s	31/88	18/64 s
London	20/68	12/53 pc	22/71	13/55 pc
Madrid	34/93	16/61 s	34/93	18/64 s
Milan	29/84	16/61 pc	27/80	14/57 s
Moscow	21/70	11/52 s	18/64	10/50 t
Munich	19/66	13/55 pc	19/66	10/50 pc
Nice	31/88	17/62 s	28/82	16/61 s
Oslo	17/62	12/53 r	15/61	12/53 r
Paris	21/70	12/53 pc	23/73	13/55 pc
Prague	17/62	13/55 pc	18/64	11/52 pc
Reykjavik	13/55	8/46 c	12/53	7/44 c
Rome	31/88	17/62 s	30/86	18/61 t
St. Petersburg	17/62	11/52 sh	14/57	8/48 r
Stockholm	20/68	13/55 sh	19/66	12/53 r
Strasbourg	21/70	12/53 pc	23/73	13/55 s
Tallinn	18/64	9/48 sh	16/61	9/48 r
Venice	29/84	16/61 pc	27/80	14/57 s
Vienna	24/75	14/57 sh	23/73	12/53 pc
Warsaw	18/64	13/55 r	17/62	12/53 sh
Zurich	22/71	14/57 pc	23/73	13/55 pc

Middle East

Beirut	29/84	24/75 s	29/84	24/75 pc
Cairo	34/93	21/70 s	34/93	22/71 s
Damascus	32/89	23/73 s	33/91	22/71 s
Jerusalem	31/88	21/70 s	31/88	20/68 s
Riyadh	42/107	26/79 s	41/106	27/80 s

Oceania

Auckland	13/55	9/48 pc	14/57	8/48 pc
Sydney	18/64	10/50 pc	19/66	13/55 s

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	33/91	27/80 pc	32/89	27/80 pc
Beijing	30/86	22/71 t	29/84	19/66 pc
Hong Kong	31/88	27/80 pc	31/88	27/80 pc
Manila	31/88	25/77 t	31/88	24/75 t
New Delhi	35/95	27/80 c	32/89	27/80 c
Seoul	31/88	23/73 pc	30/86	23/73 pc
Shanghai	32/89	24/75 pc	30/86	24/75 pc
Singapore	31/88	27/80 pc	32/89	28/79 pc
Taipei	32/89	27/80 pc	31/88	26/79 pc
Tokyo	32/89	24/75 pc	31/88	25/77 pc

Africa

Algiers	32/89	17/62 s	34/93	18/64 s
Cape Town	17/62	10/50 pc	16/61	10/50 pc
Casablanca	28/82	23/73 s	29/84	22/71 pc
Harare	24/75	9/48 pc	25/77	9/48 pc
Lagos	27/80	22/71 pc	29/84	23/73 pc
Nairobi	22/71	10/50 pc	22/71	10/50 pc
Tunis	36/97	21/70 s	32/89	20/68 s

Latin America

Buenos Aires	17/62	8/43 pc	18/64	7/44 pc
Caracas	29/84	18/64 pc	29/84	18/64 pc
Lima	19/66	14/57 c	18/64	14/57 c
Mexico City	24/75	13/55 sh	24/75	13/55 sh
Rio de Janeiro	29/82	18/61 pc	27/80	18/61 pc
Santiago	17/62	3/37 pc	17/62	3/37 c

North America

Anchorage	17/62	12/53 sh	17/62	12/53 c
Atlanta	31/88	22/71 pc	31/88	21/70 pc
Boston	30/86	20/68 s	31/88	20/68 pc
Chicago	29/84	18/64 pc	27/80	17/62 pc
Denver	21/70	11/52 t	22/71	11/52 t
Detroit	28/82	18/64 t	28/82	18/64 t
Honolulu	30/86	23/73 pc	31/88	23/73 pc
Houston	33/91	23/73 pc	32/89	23/73 pc
Los Angeles	29/84	17/62 s	32/89	23/73 pc
Miami	29/84	25/77 t	30/86	19/66 s
Minneapolis	23/73	14/57 t	21/70	12/53 c
Montreal	28/82	16/61 pc	27/80	13/55 pc
Nassau	31/88	25/77 pc	31/88	25/77 pc
New York	31/88	21/70 pc	31/88	22/71 pc
Phoenix	37/99	28/79 pc	34/93	28/79 s
San Fran.	24/75	12/53 s	23/73	14/57 pc
Seattle	26/79	13/55 s	29/84	13/55 s
Toronto	27/80	17/62 pc	27/80	14/57 sh
Washington	31/88	23/73 pc	31/88	22/71 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

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CAMPAIGN '92 / WARNING FROM RUST BELT

ELECTION NOTES

Amid the Hoopla, Little Heard of the Deficit

WASHINGTON — It was symbolic of the treatment of economic issues in this presidential campaign that the balloons, bands and banners of the Republican National Convention overshadowed the release of a book detailing Ross Perot's plan to shrink the mammoth federal budget deficit. Gone from the political field now are candidates who focused on the deficit, including Mr. Perot and the Democrat Paul E. Tsongas, who told voters, "I'm no Santa Claus."

Bill Clinton, the Democratic nominee, holds out the promise of new federal "investment" programs totaling $219 billion over four years, not including the cost of a vague plan to provide health insurance to all Americans. Some budget experts and Democratic leaders say that he is overly optimistic about getting all the spending cuts that would enable him to reach his deficit targets.

President George Bush, on the other hand, offers a new round of tax cuts — as well as his own costly health plan — while giving virtually no details on how he would reduce federal spending to make up enough lost revenue to avoid adding to the deficit.

Even the smallest of across-the-board cuts in taxes, such as a percentage point reduction in personal income taxes, would cost about $25 billion a year. *(WP)*

Woody Allen and Republican Family Values

WOODSTOCK, Georgia — President George Bush's campaign took its distance from a Republican congressman's comment attempting to link the Democratic platform with the controversy surrounding Woody Allen.

Warming up a rally for Mr. Bush here over the weekend, Representative Newt Gingrich of Georgia said the Democrats had put a "Woody Allen plank" in their platform. He was referring to a line in the platform that said governments don't raise children, people do. "Wrong. Families raise children," he told a crowd of 15,000.

Stressing the campaign theme of "family values," Mr. Gingrich said, "Woody Allen is not having incest with his non-daughter. He only has been a non-father because they've had a non-family." Mr. Allen has acknowledged having an affair with the adopted daughter of his former companion Mia Farrow.

"Newt speaks for himself on this question," a Bush campaign spokesman, Tony Mitchell, said later. The White House spokesman, Marlin Fitzwater, said, "It's a free country. Newt can say whatever he wants." *(AP)*

Clinton Walks a Tightrope on Fuel Economy

PARMA, Ohio — Responding to urgent promptings from leading Democrats in Michigan and other Midwestern states, Bill Clinton has softened his advocacy of new laws to mandate higher fuel economy for cars.

The Democratic candidate's move may blunt the ability of Republicans to use the fuel economy issue against him in the industrial Midwest, through which Mr. Clinton and his running mate, Senator Al Gore, conducted their latest bus tour over the weekend.

At the same time, any significant shift on the issue runs the risk of reigniting concerns among environment-minded voters in other states, for instance California and Colorado. Republicans there have begun using direct-mail campaigns to raise questions about Mr. Clinton's environmental record as governor of Arkansas. *(LAT)*

Quote-Unquote

Martha Solomon, speech communication professor at the University of Maryland and editor of The Quarterly Journal of Speech, assessing the convention addresses by Bill Clinton and George Bush: "Neither speech is ever likely to be anthologized." *(AP)*

Away From the Hustings

- **A General Dynamics Atlas 1 rocket failed** minutes after being launched from Cape Canaveral, Florida, destroying an $80 million satellite being lofted for the U.S. cable television industry, company officials said.
- **Kevin McKeon, a New York police detective** who fatally shot a robbery suspect in May, thereby touching off angry demonstrations in Brooklyn, will not be prosecuted, District Attorney Charles J. Hynes announced.
- **Benjamin Thomas Atkins,** a part-time laborer who the police say has confessed to the killings of 11 women in the Detroit area, has been arraigned on murder charges related to three of the slayings.
- **The United States led the world** in arms sales to the developing nations for the second straight year in 1991, but that arms market was rapidly shinking because of changes in global power relationships, a report for Congress concluded.
- **A federal jury in Washington** completed a third day of deliberations without reaching a verdict in the Iran-contra criminal trial of a former CIA official, Clair E. George. They were to resume their proceedings Monday.
- **The Fort Calhoun Station nuclear power plant** shut down for the second time in two months because of an electrical failure and a malfunctioning reactor safety valve, officials in Omaha, Nebraska, said.
- **Fire fighters in McArthur, California, used bulldozers** to cut lines around a 63,000-acre (25,000-hectare) fire that destroyed the town of Round Mountain and forced thousands in the region to flee their homes.
- **The State Department has refused to grant a pension** to Felix S. Bloch, a career diplomat who was dismissed from the Foreign Service in 1990 as a suspected spy but who was never charged with a crime. *Reuters, LAT, NYT, UPI, AP, WP*

When Bush Speaks, the Bedrock Szalkies Begin to Rumble

By Isabel Wilkerson
New York Times Service

RIVER ROUGE, Michigan — Forget the polls and columnists and odds makers. If there are such things as typical voters, a Mr. and Mrs. Taxpayer with the pulse of the electorate for all its rage and ambivalence, they are James and Bonnie Szalkie.

They are Midwestern Rust Belt, blue-collar Bush Democrats, ripe for Republican talk about "family values" and a strong America but on edge about the economy and an administration they feel has lost touch with them.

They are the kind of voters who can decide elections. For as long as they have been eligible to go to the polls, they have voted for the winner of each presidential campaign: Kennedy, Johnson, Nixon, Nixon, Carter, Reagan, Reagan, Bush.

The Szalkies — he is 50 years old, she is 49 — sat in front of their television console, an auto worker and a homemaker in matching brown velour easy chairs, watching the man they last voted into the White House accept the Republican nomination for president and appeal once again for their vote.

As George Bush delivered his acceptance speech, they yawned during the part about the end of the Cold War, winced at the barbs at Bill Clinton and Mario M. Cuomo, and shook their heads when Mr. Bush said the world economy was in transition.

What the Szalkies see is recession.

"He still doesn't see how bad off this country is," Mr. Szalkie said. "I can't believe he's that blind."

Mrs. Szalkie looked into the distant face of a president talking about things that mattered little to her and neared a boil. "He makes me want to reach out across the screen and grab him by the throat and say, 'Wake up, George,' " she said. "I want him to talk about issues, not about other politicians. Forget Cuomo and all the rest."

The Szalkies live in a modest brick house on a narrow street lined with older Fords and pickup trucks in a factory town past its prime. They have watched steel mills and machine shops shut around them in the last decade — the unemployment rate here hangs at 12 percent and their grown children struggle for jobs paying not much more than the minimum wage of $4.25 an hour.

As the economy has worsened, fluctuated and stalled, the Szalkies have cut back on vacations and dinners out and the once-requisite new car every couple of years. Like many other voters, they have not lost a paycheck during the recent recession, but still they feel a vague sense of doom and vulnerability.

It is a discontent that goes deeper than the latest consumer index figures. It has to do with the feeling of disconnection from the party that they say seduced them in the 1980s and betrayed them in the 1990s.

Mrs. Szalkie says she can see through the Republicans and the promises of trickle-down prosperity. She insists she has learned her lesson. "I don't care what the Republicans say," she asserted. "They're for the rich. I guess I'll never be rich, so to hell with them."

She has returned to her Democratic roots with gusto, sporting Clinton bumper stickers in front and back of the car. "Clinton would have to say he's a secret member of the Ku Klux Klan for me not to stick with him now," she said.

Mr. Szalkie has not made up his mind yet, finding the confetti and rhetoric of both parties' conventions more dizzying than enlightening. Like the U.S. electorate, he is a bundle of contradictions.

He loves the talk about family values — although he is not quite certain what the term means — but believes that women should have the right to an abortion. "There's no way a man can decide abortion," he said. "They're men. They can't get pregnant." He was angry that Mr. Bush went back on his promise of no new taxes but says that he is certain taxes must be raised to pare the federal budget deficit.

He turned off the television set disappointed with Mr. Bush's speech.

"He let me down," Mr. Szalkie said. "He didn't commit himself to nothing. Not one thing did he commit himself to."

Mr. Szalkie did not like the finger-pointing at Congress and the name-calling aimed at the Democrats. "Slashing and slamming the Democrats, that's all he has going for him," Mr. Szalkie said. "It's sleazy. He should be above that."

This is not to say that Mr. Szalkie is sold on Mr. Clinton. He worries that the Democratic nominee does not have enough foreign policy experience. But as impressed as the Szalkies are with Mr. Bush's stature on the world stage, the president's lingering on the topic only reminded the Szalkies of the other thing that disappointed them about Mr. Bush: the resolution of the Gulf War.

"He was knocking on Saddam Hussein's front door," Mr. Szalkie said. "He should have taken him out when he had the chance."

Mrs. Szalkie chimed in, "That was his biggest mistake."

It is talk like this that suggests that Mr. Bush may have trouble holding on to the blue-collar, bowling-and-meatloaf families.

When Mr. Bush said he was sorry he relented on the tax increases, Mrs. Szalkie had her own apology to make. "I made a mistake in 1988," she said. "That doesn't mean I'm going to be a repeater."



Chuck Robinson/The Associated Press

In his hometown of Huntington, Indiana, Vice President Quayle and his wife, Marilyn, went campaigning among former neighbors.

Clinton Calls Foe 'Deeply Offensive'

The Associated Press

CHAUTAUQUA, New York — Bill Clinton said Sunday that President George Bush was "deeply offensive" when he questioned the reverence of Democrats.

Counterattacking as he and his running mate, Senator Al Gore, approached the end of their latest campaign bus tour, the Democratic nominee said that the Republicans were floundering because the Democrats had a better economic plan to put Americans back to work and help raise their children.

The president, talking to evangelical leaders in Dallas on Saturday, said that Democrats had all but abandoned God and said he was "struck by the fact that the other party took words to put together their platform but left out three simple letters: G-O-D."

Mr. Clinton hit back Sunday after he, Mr. Gore and their wives, Hillary and Tipper, attended Methodist church services in Erie, Pennsylvania. Mr. Clinton, a Baptist, seldom misses church. His wife is a Methodist.

"The implication that he has made, that Democrats are somehow Godless, is deeply offensive to me, to Senator Gore and to all of us who cherish our religious convictions but also respect America's tradition of religious diversity," Mr. Clinton said.

Mr. Clinton said Mr. Bush questioned his commitment to God for clear political gain.

"He is promoting an atmosphere of intolerance in this country that is inconsistent with the spirit of Thomas Jefferson and Abraham Lincoln," Mr. Clinton said.

"He has basically said that unless you believe in the Republican platform, you don't believe in God and you're not an American," the Democratic candidate said.

He noted that Mr. Bush made the comments while talking about abortion. While Mr. Bush supports a constitutional ban on abortion, Mr. Clinton noted, he acknowledged that it would be a granddaughter's decision if she was faced with that hypothetical situation. Vice President Dan Quayle made a similar comment about supporting his daughter, if she chose to have an abortion.

"We've got a pro-family plank," Mr. Clinton said, noting that the Democrats back family-leave legislation. He also said his party had a detailed plan for helping people move from welfare to work and was pushing tough reforms to enforce payment of child support.

The Democratic nominee brushed off some polls that show Mr. Bush has cut into his lead and cited other polls that showed the Clinton-Gore lead had been restored.

"It's coming back up, haven't you heard?" Mr. Clinton asked. "Their bump lasted about two days, apparently."

He and Senator Gore traveled across Ohio, Pennsylvania and New York this weekend, emphasizing economic themes as they rolled through blue-collar towns.

Along the route, the candidates ran late but found hundreds of supporters gathered at rest areas past midnight, carrying flashlights and candles to light their way.

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DATAMATION, June 15,1992

Strong Senate Among Options For Staving Off Canada Schism

By Clyde H. Farnsworth
New York Times Service

TORONTO — Political leaders have come up with a new package of constitutional changes intended to preserve Canada's unity, including a stronger Senate, shifts in authority from federal to provincial jurisdiction and eventual self-government by indigenous peoples.

"We have gained a country," said Premier Bob Rae of Ontario, who was among 10 provincial and territorial leaders and representatives of Indian and Eskimo groups who met recently with Prime Minister Brian Mulroney to rewrite the constitution.

While pitfalls still abound — reaction from constituencies, the lack of any certainty about ratification — many analysts say the pact has a realistic chance of success.

A sense of the urgency is provided by a law in Quebec requiring its citizens to vote on Oct. 26 on whether to secede from Canada. The referendum question has to be submitted to the National Assembly by Sept. 9.

Quebec's governing Liberal Party has scheduled a meeting for Saturday to set policy for that referendum. Although Premier Robert Bourassa is among the party's federalists, a strong faction of separatists has recently influenced many of its pronouncements.

Mr. Bourassa has been seeking concessions from the closed negotiations in Ottawa, both to keep his party together and to try to win a no-separation vote from Quebec in the referendum.

Should a deal be reached, the politicians are expected to hit the road selling the pact's praises and trying to isolate opponents, such as Jacques Parizeau, head of the separatist Parti Québécois, and Preston Manning, leader of the Reform Party, a recently formed group with a populist bent and strength mainly in Alberta. Both have denounced the accord.

Ratification is by provincial legislatures and the House of Commons. At least four provinces will hold referendums, the results of which would be binding on their legislatures.

Jean Chrétien, leader of the opposition Liberal Party, said that to obtain its support there should also be a national referendum. Mr. Mulroney's Progressive Conservative government has a referendum law on the books, but has yet to decide to use it.

If the provinces ratify the agreement, legislation will be introduced early next year to overhaul Parliament.

Present plans include a formal signing ceremony Thursday at Charlottetown, Prince Edward Island, where, 125 years ago, the British North America Act was signed, creating "one dominion under the name of Canada."

The new Senate is aimed at meeting demands of Western provinces, mainly Alberta, for an elected chamber modeled on the U.S. Senate, with equal representation for all the provinces and substantive legislative powers. The existing chamber is a patronage body whose members are appointed by the government and can only delay legislation.

Quebec and Ontario, the two most populous provinces, each control one-quarter of the seats in the Senate; they would control 10 percent in the new body.

The sweetener in the new arrangement is that each would get more seats in the House of Commons. In addition, Quebec won a guarantee that despite its declining population, its overall parliamentary representation — Senate and House — would never drop below 25 percent.

Analysts say the balance is achieved by giving Quebec constitutional recognition as a "distinct society" and powers over job training, culture and immigration in return for its acceptance of the principle of an "equal" Senate.

The main complaints now are coming not from Quebec, but from Alberta and British Columbia, which say they have been shortchanged on seats in the House.

Under the plan, the House would have 337 members, up from 295. The Senate would have 62 members — 6 from each of the 10 provinces and one each from the 2 territories — down from 104. Together, the chambers would be the same size as they are now.

The new pact lays the groundwork for eventual Indian or Eskimo governments and sets rules under which indigenous peoples can go to court to enforce their rights.



Viktor Korotayev/Reuters

AN ISRAELI IN RUSSIA — Foreign Minister Shimon Peres speaking in a synagogue in Moscow after a religious service.

Iraq Renews Warning It Will Defy Plane Zone

Compiled by Our Staff From Dispatches

NICOSIA — As the Bush administration and its allies moved closer to announcing the establishment of an air-exclusion zone in southern Iraq, an official Iraqi newspaper denounced the plan on Sunday and said the armed forces were "alert and fully ready to resist."

Al Qadissiya, the daily newspaper of the Defense Ministry, said the plan for the zone in Iraq's southern marshlands was a plot of aggression against Iraqi sovereignty.

"We will tear them to pieces," the newspaper said, "and the marshes will be the graveyards for the invaders." This was the latest in a series of announcements of Iraq's defiance of the plan.

White House aides said on Sunday that President George Bush was likely to announce this week that the United States and at least some of its Gulf War allies were prepared to shoot down Iraqi warplanes if they violate the zone.

"There have been a lot of contacts" about the plan, which is designed to keep Iraq from attacking Shiite rebels, said Marlin Fitzwater, the presidential press secretary.

"We're getting closer to announcing our final position," he added.

Mr. Fitzwater said the form of Mr. Bush's announcement was still undecided because "he wants to explain to the American people what it is he's doing."

Asked when Mr. Bush would speak, Mr. Fitzwater said, "Most of the speculation has been on Tuesday but it could slip."

The U.S. aircraft carrier Independence headed up the Gulf on Sunday, ready to help enforce the ban. The carrier has at least 75 planes. In Kuwait, the U.S. military said it would begin war games with Kuwaiti soldiers near the Iraqi border next week.

In London, meanwhile, an Iraqi exile group said that government forces had destroyed a Shiite village and were using helicopters and artillery to bombard dissidents in the southern marshlands.

Saad Jabr, leader of the Free Iraq Council based in London, said sources inside the country had reported the destruction in the last week of the village of Ikker near Amara.

The Iraqis, he said, "completely leveled and burned it because it was harboring guerrillas. They knocked down all the houses." The report could not immediately be confirmed. *(Reuters, AP)*

A Million Flee Florida Storm

The Associated Press

MIAMI — As a hurricane drove toward southern Florida on Sunday, forecasters warned that it would be the most powerful storm to strike the United States in decades. More than a million coastal residents were ordered to flee.

The hurricane reached the Bahamas on Sunday afternoon with winds of 150 miles per hour (240 kilometers per hour), heavy rain and surging tide. The outlying eastern islands of Abaco and Eleuthera were affected first. There were four reported deaths.

"It's on a dead course for south Florida," said Bob Sheets, director of the National Hurricane Center in Coral Gables, Florida. "I hoped I would never experience this. "We've not seen anything like this in the past few decades."

Governor Lawton Chiles of Florida declared a state of emergency and put the National Guard on alert. Airports, including Miami's, were closing in southern Florida, and residents of coastal areas rushed to secure their homes before heading inland.

Evacuations were ordered in coastal areas of Broward and Dade counties and the northern Florida Keys in Monroe County. People were moving into almost 100 shelters.

On Sunday afternoon, the hurricane, designated Andrew, was a Category 4 storm, with winds of 150 miles per hour and a storm sea surge of 13 to 18 feet (4 to 5 meters), causing extreme damage.

Forecasters expected it to reach Category 5 — the worst of all, with winds topping 155 miles per hour, a storm sea surge in excess of 18 feet and catastrophic damage — as it crossed the Gulf Stream to Florida.

The hurricane was expected to hit the Florida coast between 6 A.M. and 8 A.M. local time Monday, said Dan Donahue, a National Guard spokesman.

Only two known Category 5 hurricanes have hit the United States: one designated Camille, which devastated the Mississippi coast in 1969, killing 256 people, and another that hit the Florida Keys on the Labor Day vacation in September 1935, killing 405 people.

In the Bahamas, a government spokesman said he had received a report of four deaths on either Abaco or Eleuthera. Huge waves lashed the coast of Eleuthera.

Prime Minister Hubert Ingraham urged calm and directed people to storm shelters. The Tribune, a Nassau newspaper, reported that all tourists had been evacuated before the hurricane hit.

A warning covered islands including Andros, Abaco, Great Exuma, San Salvador, Long Island and Eleuthera.

Warnings that the hurricane could be stronger than one designated Hugo heightened a tense atmosphere in the densely populated strip from Miami to Palm Beach County. That storm left 85 people dead and caused $5.9 billion in damage in the Caribbean and the Carolinas in 1989.

Residents hammered up plywood shutters if they did not have hurricane awnings, moved boats up the Miami River or pulled them out of the water.

Panic buying hit grocery and home-supply stores, money machines were emptied and motorists lined up for gas and headed inland.

Florida Power & Light's four nuclear reactors at two coastal power plants were shut down soon after warnings were posted.

Iraqi Shiites Say Aim Is Not Islamic State

By Caryle Murphy
Washington Post Service

MANAMA, Bahrain — When Iraqi Shiites staged a chaotic, short-lived revolt after the Gulf War last year, Arab and Western officials pored over sketchy news reports and smuggled-out videotapes for clues to what was going on. Some of the information was alarming.

Graffiti urging an "Islamic Republic of Iraq," posters of the late Ayatollah Ruhollah Khomeini of Iran and an influx from Iran of hundreds of fighters loyal to an exiled Iraqi Shiite cleric all suggested that this was an Islamic rebellion, inspired and nurtured by Iran.

This theory explains in large part why the U.S.-led Gulf War allies stood by as the revolt fizzled under a brutal counterattack from better-equipped Iraqi government forces.

Many Iraqis, including some who took part in the uprising, say that interpretation was incorrect. It overstated the Iranian connection and Tehran's influence on what was, first and foremost, a spontaneous eruption of anger toward President Saddam Hussein's Ba'athist regime, they assert.

"We know it was our mistake," an exiled Iraqi Shiite said, referring to a clandestine videotape of the uprising, given to Western news media, that depicted Islamic slogans scrawled on walls.

The videotape was "very misleading" the Iraqi said, because it showed the revolt "as an Islamic uprising, which actually it was not."

"They didn't want another Iran in the Middle East," the Iraqi said of the rebels. "None of us want another Iran in the Middle East."

The question becomes particularly important now that the United States and its allies are planning aerial intervention in the name of protecting Shiites in southern Iraq, where most of them live.

A 'no-fly' zone barring Iraqi aircraft south of the 32d parallel, expected to be established this week, appears to be the first step in a new Western strategy to weaken Mr. Saddam's control over the south.

But if this results in a de facto fragmentation

NEWS ANALYSIS

of the country, the barrier to eventual reunification is unlikely to be a Shiite desire for a breakaway, Iranian-style Islamic republic, Western and Iraqi analysts said.

Rather, it will be the Shiites' demand for what they believe they have been denied since Iraq's creation as a modern state in 1932: a degree of power-sharing in the central government, long dominated by Sunni Muslims, that reflects their status as Iraq's largest ethnic group.

"The Shiites do not want to separate from Iraq. They are Iraq," said Graham Fuller, a Middle East analyst with Rand Corp. "There is no question of Shiites separating or joining Iran."

The Shiites, said a European specialist who asked not to be named, "would like to live under a state that no longer considers them a minority, but as the majority and as the main element of Iraqi identity."

That "identity" mainly revolves around Iraq's status as the birthplace of Shiite Islam and the site of its two holiest cities, An Najaf and Karbala.

The Shiites, who compose 55 percent to 60 percent of Iraq's 18 million people, include wealthy families and poor laborers living in Baghdad, as well as those residing in Iraq's vast southern marshlands.

The centuries-old way of life of these "marsh Arabs," who navigate the marsh lakes in dugout canoes, is now threatened by the Iraqi military's counterinsurgency campaign against rebels who use the marshlands as refuge.

Other sectors of the Shiite population have always been part of Iraq's mainstream political life. In the heady days of Arab nationalism, Sunnis and Shiites worked together, even within the Arab Ba'ath Socialist Party. Decades earlier, Shiite clerics played a major role in the anti-colonial struggle against Britain in the 1920s.

Another belief contested by rebel leaders is that Iraqi Shiites want an Iranian-style fundamentalist Islamic state. The Islamist trend is undoubtedly a strong political current among Iraq's Shiites, but several factors distinguish it from Iran's.

First, the powerful Sunni minority in Iraq, and the country's assorted other ethnic groups, would make it difficult to impose a government run by the Shiite clergy, like the one in Tehran. Second, centers of power other than the clergy remain influential among Iraq's Shiites. These include tribal leaders in rural areas and those Shiites, both inside the country and in exile, who favor a Western-style parliamentary democracy in Iraq.

In addition, most Iraqi Shiite scholars and clerics for centuries have advocated a separation of political and religious responsibilities. Finally, the Islamist movement among Iraqi Shiites is split into several different parties.

Turnout Is Light in Lebanese Balloting

Compiled by Our Staff From Dispatches

BEIRUT — The opening phase of Lebanon's first general election in 20 years ended Sunday with a low turnout in Christian areas of northern Lebanon and the Bekaa and higher voter participation in Muslim communities.

Balloting continued at 13 sites where incidents had interrupted voting, sources said.

State television said that voting participation in Christian areas was between 12 and 30 percent while between 50 and 70 percent of eligible voters showed up in Muslim-dominated communities.

Many of the minority Christians staged a boycott and strike and accused Syria of using the vote to tighten its grip on the country.

Voting generally took place calmly as security forces and soldiers guarded polling places, but there was chaos at some sites that lacked ballot boxes and monitors as well as complete candidate lists.

In the Christian town of Zahle and in the eastern Baalbeck area, there were isolated scuffles and charges of cheating.

The boycott was expected to have little impact until the poll moves Sunday to heavily Christian areas such as East Beirut. Maronites, the main Christian group, called the boycott and a general strike to protest parliamentary elections' being held while Syrian and Israeli troops remain in the country.

Elias Hrawi, the Syrian-backed president, was among the first to vote in the Christian town of Zahle. "I call on all Lebanese to participate in these elections," he said, "because their unity is the only guarantee for Lebanon's survival."

The general election has touched off the most serious Christian-Muslim crisis since civil war ended, just as the country was embarking on the road to recovery.

Thousands of Lebanese troops imposed tight security as polling stations opened for voters to choose 51 members of parliament from 265 candidates. A total of 800,000 people were eligible to vote.

In the Baalbeck area the pro-Iranian Hezbollah and supporters of House Speaker Hussein Husseini, a Shiite Muslim, accused one another of vote-rigging. Hezbollah is fielding candidates for the first time since its formation in 1982.

Syria, which has 40,000 troops in Lebanon, orchestrates Lebanese policy through a treaty of cooperation. Christians, contending that the election is a plot by Syria to impose its will on Lebanon, observed a strike for the third day.

Christians wanted the government to delay the election until Syrian troops leave Beirut and some other areas in September in line with a 1989 peace accord. *(Reuters, AFP)*

Police and Youths Clash At East German Hostel

Agence France-Presse

ROSTOCK, Germany — Clashes erupted Sunday in this eastern town between the police and hundreds of youths trying to attack a hostel for asylum-seekers.

For a second straight night the youths threw stones, highway flares and gasoline bombs at police protecting the hostel, an 11-story building housing about 300 Romanian asylum-seekers and Vietnamese immigrants.

BATTLE: *Bosnian Forces, Fighting Serbs' Stranglehold, Rock Sarajevo*

(Continued from page 1)

Kosevo hospital in the center of the city, around government offices and on the city's western side.

Dr. Arif Smajkic of the Ministry of Health said Sunday that 46 people had been killed and 303 wounded in Bosnia-Herzegovina in the previous 24 hours, including 22 dead and 100 wounded in Sarajevo. Dr. Smajkic said that unlike most days, the majority of the casualties were soldiers.

Foreign Minister Klaus Kinkel of Germany, meanwhile, called for tightening a UN blockade on Yugoslavia. In an interview in Sunday's editions of Welt am Sonntag, Mr. Kinkel offered German customs agents, retired officials and other civilians to help.

He also reaffirmed that he would press at the London conference for an international tribunal to try Serbian leaders for "genocide."

In Washington, meanwhile, the Bush administration said that it had found no evidence to authenticate allegations that Serbian forces were systematically killing prisoners at detention camps in Bosnia.

Intelligence officials, noting that Mr. Bush had ordered an investigation of the reports, said they had "redoubled and tripled" their efforts to establish what had been happening in detention camps for Croats and Muslims in areas seized by Serbian forces since April.

The officials said they had reached the same conclusions as had European Community observers, UN representatives and journalists in Bosnia-Herzegovina: that killing and torture had taken place at some of the camps but that there was no evidence of systematic or institutionalized killing. *(Reuters, AP, WP, NYT)*

TALKS: *Israeli Gesture*

(Continued from page 1)

the Palestinian delegation returned to Jerusalem and delayed its departure for the talks to protest Israeli permit procedures for crossing the Allenby Bridge into Jordan.

Although the dispute was over a seemingly minor technical matter, the reaction was a reflection of the angry mood among some Palestinian negotiators, who had debated whether to boycott this round of talks.

On Sunday, after consultations with the United States, the delegation departed for Washington. Their spokeswoman, Hanan Ashrawi, said they had been given assurances that five staff members could cross the bridge without seeking special permits, as Israel had earlier demanded.

The Israeli negotiators come to the table with new instructions from Mr. Rabin to accelerate progress toward an autonomy agreement, officials said.

Elyakim Rubinstein, the chief Israeli negotiator in the talks with the Palestinians, said Sunday on his arrival in Washington: "It's a time of opportunity. We'd like to start and do the work in businesslike negotiations and achieve results as soon as possible."

Mr. Shamir's government had discussed limited municipal elections in the territories, but Mr. Rabin has broadened the concept to general elections.

He also has instructed the Israeli delegation to seek agreement on a timetable for the balloting.

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— hand deliv. Madrid	Pes.	55,000	27,500
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— hand delivery	S.Kr.	3,300	1,800
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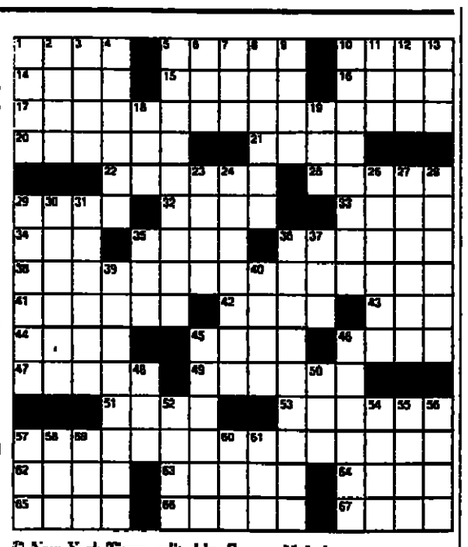
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47 — — gum, used in varnishes
49 Of the nostrils
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56 Immediately, to a druggist
57 To's opposite
59 Great time expanse
59 Caesar's greeting
60 Baseball notable
61 New Deal mess.



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Solution to Puzzle of Aug. 21

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Jonathan Drake/Reuters

An Afghan father trying to comfort his wounded son at a hospital in Kabul.

And Now It's Kabul's Time to Be Raked by War

By Molly Moore
Washington Post Service

KABUL — The rocky roads that snake out of the Afghan capital are jammed these days with families fleeing two weeks of brutal artillery bombardment and the anarchy of warring ethnic factions that are looting and terrorizing residents.

Overloaded trucks and buses and bedraggled families on foot await lulls in the fighting to run a gauntlet of military posts that mark the territories of rival commanders. Trucks and buses of refugees line the roads as far away as Pakistan, a treacherous 10-hour drive to the east. Thousands of homeless families huddle in campsites along the roads outside Kabul.

"My house is destroyed, I have left everything," said Mohammed Babrak, a civil engineer who was herding his wife and six daughters into the back of a crowded truck. "I lived here all during the civil war. After all that, now I am forced to leave."

During the 14-year war between Afghanistan's Soviet-supported communist government and the U.S.-supported guerrillas, this city was relatively calm. It was heavily defended by the government — and, for years, by the Soviet Army — and its population swelled during the war as refugees from the devastated countryside sought safety here.

But four months after a mujahidin government took over from the collapsed authority of President Najibullah, the exchange of destruction among Afghanistan's ethnic and religious militias continues. And now, it is Kabul's turn.

For two weeks, the mujahidin faction of Gulbuddin Hekmatyar has leveled entire blocks of Kabul with artillery and rockets in an assault more violent than any on Kabul during the mujahidin war against the former communists and their Soviet backers. About 1,800 people have been killed or wounded in the last two weeks and a total of 125,000 people are estimated by United Nations officials to have fled.

Many refugees said they were fleeing even though their own homes had been untouched. Kabul has become a city of anarchy, they said, where fighters routinely assault and rob citizens of rival ethnic groups. Although the government has imposed a 10 P.M. curfew, the streets are deserted by dusk.

"You cannot even wear a watch on the streets of Kabul without fear that someone will steal it from you," said a man who has lived in the city for 25 years.

In April, the mujahidin captured Kabul. Control of most of the city fell to forces from northern and central Afghanistan, including ethnic Tajik and ethnic Hazara mujahidin. President Burhanuddin Rabbani is a Tajik mujahidin leader.

But the northern forces supporting the new government included a mainly Uzbek militia, led by General Abdurrashid Dostam, that for years was a feared enforcer of President Najibullah's rule and that only last winter mutinied to ally with the mujahidin. While including that longtime enemy, the government permitted Mr. Hekmatyar's Islamic Party only a marginal role, excluding his forces from Kabul.

Mr. Hekmatyar's group is ardently Islamic fundamentalist and dominated by fiercely nationalist Pashtuns, whose ethnic group, based mainly in the south, has dominated Afghan governments — and the northern ethnic groups — for more than 250 years.

Mr. Hekmatyar said he attacked the Kabul government because of its reliance on the formerly pro-Najibullah Uzbeks and because Mr. Rabbani has been too slow in purging his forces of military officers appointed by the former communist regime.

Critics of Mr. Hekmatyar noted that he also has allied with former communist officers who share his Pashtun nationalism. Mr. Rabbani said the attacks were intended primarily to destabilize the government and dismissed Mr. Hekmatyar and his representatives from the coalition government's ruling council.

Mr. Hekmatyar has said he has fired only at government military installations, but shells and missiles have hit residential neighborhoods.

Most of Kabul has been without electricity or water for more than a week, leading health officials to warn of the danger of cholera and other diseases. Two rockets destroyed a pharmacy operated by the International Committee of the Red Cross.

The Red Cross has managed to truck some medical supplies into the city, but hospitals are almost out of medicines, according to Andreas Pfiffner, a Red Cross official. He said the Red Cross hospital, designed to accommodate 300 people, found itself trying to treat almost 500 in the first days of the shelling.

"Patients were lying everywhere — on the floor and in every possible space," Mr. Pfiffner said. "It was difficult to walk in the hospital."

For the past few days, the road leading east from the city, where some of the most intensive shelling has occurred, has been a sea of sobbing women, grim-faced men and frightened children. Huge trucks were piled with beds, bicycles, and household possessions, and sometimes two dozen or more people were balanced precariously on top.

■ Najibullah Sought

The mujahidin government asked the United Nations on Sunday to hand Mr. Najibullah into its custody after UN officials leave the city, Reuters reported from Kabul.

"We will keep him safe until the situation returns to normal and then we will deal with him in accordance with international laws," the coalition government said in a letter.

In Islamabad, Pakistan, a UN official said Sunday that the world body would send $10 million in emergency aid to Afghanistan.

The official said the money would be spent to feed and shelter the people fleeing the fighting in Kabul and to get food and medical supplies into the capital.

Collor's Political Isolation Grows

By James Brooke
New York Times Service

RIO DE JANEIRO — President Fernando Collor de Mello of Brazil, shaken by a corruption scandal, appears dangerously isolated as demonstrators demand his resignation daily, newspapers predict cabinet resignations this week and his congressional support disintegrates in face of impeachment calls.

"We are in front of a cadaver," Fernando Henrique Cardoso, a respected centrist senator, told São Paulo's largest newspaper, Fôlha, referring to Mr. Collor's political prospects.

According to a tally published by Fôlha, 254 members of the Chamber of Deputies say they will vote for impeachment and only 34 say they will vote to defend Mr. Collor.

To prevail in an impeachment vote expected in mid-September, anti-Collor forces need to win only one-third of 215 undecided deputies.

"In this vote, Collor will match his dwindling minority against a swelling majority," wrote Carlos Castello Branco, a longtime Brazilian political columnist, in Jornal do Brasil, a Rio de Janeiro newspaper.

Struggling to retain congressional support, several ministers have offered to shower undecided deputies with public works projects.

On Monday, a congressional panel is to release results of a three-month inquiry into allegations that Mr. Collor tolerated a multimillion-dollar influence-peddling ring. The report's release is expected to bring several cabinet resignations and to push more deputies into the impeachment camp.

The president's near-total political isolation is clearly evident in Rio de Janeiro. Of 11 candidates for mayor, no candidate has defended Mr. Collor in free television advertising that started Monday.

Among Somalis, It's the Lucky Who Get a Ride Out

By Jane Perlez
New York Times Service

DOBLE, Somalia — For 18 months, Sheikh Bukkah Malim hung on in his country, watching with grief as brothers, sisters and children were killed in the civil war. Then as plundering gunmen made food perilously scarce for the survivors, he did what he thought he would never consider.

He boarded a rusty bus with his two wives and eight children and rode about 320 kilometers (200 miles) along a bandit-ridden route, joining a million other Somalis who have fled the chaos and famine that have devastated their homeland.

"No food was coming in, and because of the guns, we were too afraid to go the market to look for food," said Sheikh Bukkah, a Muslim religious leader.

He arrived in this hot, sandy stretch of no-man's-land just beyond Doble, the last settlement in Somalia before the Kenyan border. "Every clansman has a gun in Somalia," he remarked.

The United Nations High Commissioner for Refugees, which is caring for most of the Somali refugees scattered through Kenya, Ethiopia, Djibouti and Yemen, says that Somalis constitute the biggest single refugee group in Africa in proportion to population.

Grasping at the idea of a million refugees, a spokesman for the UN agency, Panos Moumtiz, remarked, "It's a staggering number."

Somalis are being driven out by clan-based fighting and hunger that has overwhelmed the country since its dictator for 21 years, Mohammed Siad Barre, was overthrown in January 1991. The International Committee of the Red Cross estimates that 1.5 million still in Somalia risk starvation.

The most common escape hatches are the land routes to Kenya and Ethiopia. At Doble, as many as 1,000 people stagger to the border daily. More recently, those who are better off, like Sheikh Bukkah, have been arriving by bus. Somalis are also fleeing in decrepit dhows and other vessels to the Kenyan coast, to Djibouti and across the Gulf of Aden to Yemen.

Two or three dhows a week usually seek permission to dock in Kenya, Mr. Moumtzis said. Recently, the Kenyan government rounded up 2,000 Somalis living in Nairobi, he said. Those with Kenyan government identity cards were released. Almost all the others were sent to refugee camps.

The most common escape hatches are the land routes to Kenya and Ethiopia. Somalis are also fleeing in decrepit dhows and other vessels to the Kenyan coast, to Djibouti and across the Gulf of Aden to Yemen.

The main land entry point into Kenya from Somalia is patrolled by Kenyan soldiers. Through scrub country 15 kilometers to the west lies the Liboi refugee camp, with 45,000 Somalis. It is one of seven camps for the Somalis in Kenya.

Many of the Somalis arrive at the camp weak from hunger or with infected wounds. Many die along the way. The wealthier bring goats, cattle or camels.

Sheikh Bukkah and his family were among 482 new refugees one day last week. They brought with them 160 white goats. Refugee officials arranged — as they do every day — for the animals to be trucked to the outskirts of the Liboi camp so that the refugees, many of whom are nomads, can retain the herds for a time when they might return home.

Many others are bereft of almost everything. Abdi Kadir Mohammed Adam, 39, a farmer, arrived with two wives and five children. Three other children had starved en route, he said.

The 300-kilometer journey from his small farm near Mareire had taken two months. "My harvest was looted and we were living off wild fruit," he said. "We came because of starvation."

About two weeks into their trek, they became so weak that they stayed in a village for a month and begged for food to gain strength. Then, he said, the family was lucky enough to get a ride.

Mr. Adam belongs to an ethnic group of third- and fourth-generation immigrants from Tanzania who are considered outcasts by the Somalis. They have been among those most victimized.

Perhaps most telling was the lost hope of Sheikh Bukkah. He had lived in Kismayu, a port south of Mogadishu, for the last five months in the belief that he might have an easier time there. He said he was a member of the Darod clan, the same group as Mr. Siad Barre, the deposed president. The Darods live in fear of the leader in southern Somalia, who is a member of the Hawiye clan.

In the last several weeks, Kismayu has been subject to fierce sporadic fighting, which has resulted both in the repression of members of the Darod clan and in severe shortages. Recently, about 600 tons of food brought in by the United Nations was looted.

"We were living in a camp for the displaced run by the Red Cross," Sheikh Bukkah said. "But the food was getting less and less. We heard very good stories about the treatment here so we decided to come."

When would he return to Somalia? "Not for a very long time," he said.

■ Aid Arrives for Kenya Camps

A U.S. military airlift for Somalis gathered pace with food delivery flights to refugee camps in northern Kenya, Reuters reported from Wajir, Kenya.

A U.S. Air Force C-130 Hercules flew 30 tons of food to the bleak region from the temporary command center in Mombasa.

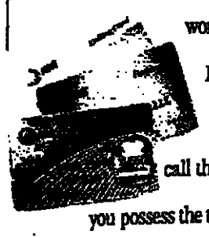
The team leader, Brigadier General Frank Libutti, said his staff was planning the first direct food flight next week into Somalia.

A dispute over sovereignty and the scope of U.S. military operations in the region had prompted Nairobi to ban U.S. military flights over Kenya.



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OPINION

To Reverse the Tragedy

Say No to Aggression

The London conference on Yugoslavia opening this week represents a desperate effort by the European Community and the United Nations to keep the Balkan wars from spiraling entirely out of control. The conveners are reluctant to apply the muscle that would enable them to enforce their appeals for relief passage and a cease-fire. There is no working consensus on how to restore peace. There is tension over bringing to a table, or to an anteroom, all the contending formerly Yugoslav republics. To seat Serbia, for instance, is in a way to condone the offenses for which it might better be indicted for war crimes.

As embarrassing and damaging as a display of diplomatic ineffectiveness would be, this high-profile improvisation provides the sliver of a chance for something better. But the people running the conference must do it right.

The first requirement is that member governments must empower the European Community and the United Nations to speak for them as one. No Yugoslav party can be allowed to feel that it can sneak around the international circle and find its own patrons with which to defy the international rules or make a separate deal. At the same time, the existing international rules — notably, the embargo on the Balkan war makers — must be tightened.

There should be a fee for the admission of any Yugoslav party to the conference and, by extension, to the comforts of European favor and international association. The fee is respect for the international cease-fire and relief resolutions. There is nothing else to talk about with the offending Serbs and Croats until they have met these minimal standards. The United Nations has a reliable presence on the ground to do the monitoring.

Thoughts about a political solution fall on two lines. One is to accept the Yugoslav tragedy as a terrible fact and to try to normalize the situation that now exists as best as possible. As applied to Bosnia, this can be called "cantonization." It is also the solution that flows from "ethnic cleansing." It is the aggressor's dream.

The other approach is to take the Yugoslav tragedy as morally and politically unacceptable and to seek to reverse it over time on the basis that any border changes must result from mutual consent and that displaced people must have the option to return to their homes. This is principled. It is also practical: Nothing else can ensure long-term peace and conciliation.

The organizers of London are staking out as their immediate goal to set up a permanent diplomatic shop to talk peace. That goal is too modest. The conference must state the broad principles it will seek to apply. Victims deserve at the least international political support. Aggressors need to know that their pariah status will endure as long as their aggression.

— THE WASHINGTON POST.

A Sellout to Serbia?

Talks on Bosnia open on Wednesday in London, but already the siren song is sounding: Bosnia is dead; the only thing left for negotiators is to bury it. Serbia has already gobbled up the lion's share of Bosnian territory, the defeatists say; it is too late to reverse its brutal aggression. Besides, armed intervention is too complicated and risky.

Don't believe all the stories about sealed boxcars and concentration camps, they add; there's not much proof. And forget about "ethnic cleansing" that is driving people from their homes. America and its allies cannot right every wrong.

All this is faithless and delusionary. America and Europe can still stop Serbia from redrawing the boundaries of Bosnia by naked force. And they have a moral and legal duty to prevent genocide.

Britain, host of this week's conference cosponsored by the United Nations and the European Community, is blatantly promoting the seductive sellout. True, it will provide convoys to get food and medicine to the beleaguered Bosnians, and is even sending 1,800 troops. But that is a hypocritical cover for a policy of appeasement.

Washington would be wrong to follow London's lead. A sellout to Serbia would encourage no end of would-be strongmen to follow in the bloody footsteps of Slobodan Milosevic, Serbia's leader. Instead, America and Europe need to show backbone by pressing for strong action in the UN Security Council that would:

- Tighten the embargo on Serbia, while letting Bosnia import arms for self-defense.
- Press for a cease-fire tied to the disarming and withdrawal of Serbian and Croatian forces. A cease-fire without withdrawal, as now contemplated, would leave Serbia and Croatia in control of almost all of Bosnia.
- Reject the easy solution of "cantonization," separating Bosnia into ethnic regions. This would only legitimate Serbia's land grab and Bosnia's breakup. Instead, insist on preserving Bosnia's territorial integrity, policed under a new form of temporary UN trusteeship that would allow displaced Bosnians of all backgrounds to return home.
- Use force, if necessary, to stop ethnic cleansing, break up the concentration camps and free the detainees. Then establish an international tribunal to investigate and punish those who committed the killings and atrocities. That includes the leaders of Serbia, who bear ultimate responsibility.

It is unconscionable that Washington and its allies waited so long to do anything about the brutal assault on Bosnia. It would be unpardonable for them now to let Serbia keep its ill-gotten gains and to permit its leaders to go unpunished.

— THE NEW YORK TIMES.

Bad Cop, Good Cop

There were actually two Republican conventions in Houston, not one. The first, aimed at softening up the Democrats while firming up George Bush's right wing, consisted of numbingly repetitive attacks on Congress and coarse slurs about the Clintons. It seemed to go on forever.

The second convention lasted almost an hour: Mr. Bush's acceptance speech. Here, at last, real issues like foreign affairs and the recession were engaged. Mr. Bush mentioned "family values" only once and left Bill and Hillary Clinton's personal life alone. He wasn't mean. Hard-edged, but not mean.

Things were choreographed this way, of course — Bad Cop followed by Good Cop. But the Bad Cops went far beyond the normal bashing expected in politics. Directly or by innuendo, they were often divisive and occasionally savage.

Pat Buchanan derided the Democrats as "pro-lesbian and pro-gay." He spoke movingly of unemployed whites in New Hampshire ("our people") but described Los Angeles's angry blacks as the "mob." Dan Lungren, California's attorney general, went Mr. Buchanan one better in the whites-are-victims, blacks-are-victimizers game, rehearsing at length the Willie Horton case and applauding the 1988 ads.

Pat Robertson warned that Mr. Clinton would appoint homosexuals to key posts; William Bennett inveighed against "rampant promiscuity." And even Marilyn Quayle, a sort of honorary Bad Cop, got in a few licks by reminding her listeners that not all baby boomers "dropped out, took drugs, joined in the sexual revolution, or dodged the draft."

Abortion, raging feminists and homosexuality seem to be this year's version of the distractions Mr. Bush offered four years ago: school prayer, the Pledge of Allegiance, flag burning. But by Thursday morning, the litany had tired all but the most evangelical Republicans.

Some delegates saw the whole question of "family values" less in terms of cultural issues like abortion and more in terms of economic issues like family leave and day care. Others didn't want to talk about family values at all. "I came down thinking about the economy," said Joan Rader, a Connecticut delegate.

The economy was, in fact, the central political issue for Republicans on their way into Houston and the central political issue on their way out. Mr. Bush spoke at length, and with justifiable pride, of his achievements in foreign policy. He spent many tedious minutes bashing Congress, the weakest part of a speech that seems to have had too many writers and too few editors. Then he turned to the economy, made sweeping promises, and provided few details.

The centerpiece of his economic program is an unspecified across-the-board tax cut matched by unspecified spending cuts. The only new wrinkle was a proposal to allow taxpayers to dedicate up to 10 percent of their federal taxes for deficit reduction, with a dollar-for-dollar reduction in federal spending.

The program makes no economic sense. For starters, it won't jump-start a laggard economy. Spending cuts will offset the tax cuts, leaving the net impact on the economy close to zero. Nor does the program address the 20-year slowdown in productivity. Untargeted tax cuts won't channel investment into new equipment or worker training, the engines of economic growth.

Mr. Bush promised more than he could possibly deliver. Neither he nor Congress has summoned the courage to propose enough spending cuts to balance even the current budget, let alone a budget thrown further into the red by a tax cut. Mr. Bush would save money by capping entitlement programs. But he apparently won't touch Social Security and veterans' benefits; to save hundreds of billions a year from what is left, he would have to virtually eliminate Medicare and Medicaid.

The checkoff for deficit reduction amounts to a truly ominous war on government — indeed, a war on the poor. Instead of having Congress, elected on the basis of one person one vote, decide how much to reduce the deficit, Mr. Bush would empower individuals to decide. Only in his scheme, votes are proportional to income — in effect giving the rich the power to kill programs for the poor.

After Houston, Mr. Bush hit the campaign trail, much as Bill Clinton did. A wise move: He has but two months to turn a list of dubious and disconnected proposals into a plausible, coherent agenda for growth. No amount of talk about family values can disguise that obligation.

— THE NEW YORK TIMES.

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Moral Cheerleading in Lieu of Serious Politics

By George F. Will

HOUSTON — The Republican convention succeeded in the sense that the party clearly spoke its mind. It was, perhaps, a costly success, because it proved that there can indeed be indecent exposure of the mind as well as the body. Let us begin with the president's speech, which had the merit of being merely inadequate rather than, as many others were, strange.

His speech was not up to the demands that his political condition placed upon it. Judged, as the speech must be, against the background of behavior that his condition has caused, his speech was (in T.S. Eliot's phrase) "dry sterile thunder without rain."

It is not news that when Nature was dishing up rhetorical gifts, George Bush did not hold out his plate. But by the verve of his delivery here he proved, again, that practice makes adequate. Unfortunately, this adequacy was a reminder that his problem has not been his lack of style but rather his abundance of insincerity.

The speech would have been far better for a candidate for a first term. As the umpteenth reiteration of mostly familiar items, from tax cuts to school choice to term limits, for which he has been only intermittently and impotently ardent, it repeatedly raised a ruinous question. For example, when the man under whom domestic spending and regulations have exploded says, "government is too big and costs too much," people wonder why years five through eight will be better than years one through four have been.

The reasonable suspicion will be that the passion Mr. Bush showed at the Houston podium was ginned-up for, and will not survive, this phase he calls his "campaign mode."

But at least his speech was superior to many given here, because it was about things that constitute a recognizable agenda of governance. Viewed against the American political tradition, Wednesday night, that bath in "family values," was extraordinary and, properly understood, unpleasant.

Once upon a time political parties talked about things that were clearly public matters, things that government could promote or prevent, things like land for homesteaders, antitrust policies, rural electrification, Social Security, medical care, defense and so on. Not so Wednesday. Then Republicans made "family values" their focus. In the process they showed that their view of government is out of focus, and they pounded the phrase "family values" into shapeless mush with a bad odor. Just slightly below the surface of Wednesday's touchy-feely sensitivity session was a serrated edge intended to open wounds in both Clintons that cannot be sutured in 75 days.

In a speech that launched an evening of sustained innuendo, Marilyn Quayle said — well, tiptoed to the edge of saying — that Bill Clinton "took drugs," "joined in the sexual revolution" and "dodged the draft." And he probably believes "that commitment, marriage and fidelity" are "just arbitrary arrangements."

As for Mrs. Clinton, Mrs. Quayle implied that she is one of those women who "wish to be liberated from their essential natures as women," and who in the 1960s believed — may still; can't be sure — that "the family was so oppressive that women could only thrive apart from it."

Next, Barbara Bush said: "However you define family, that's what we mean by family values." Fogginess is, apparently, a Bush family value. Her contribution to the evening's thoughts about government (this was a political convention, wasn't it?) was that families are good.

But coming hard on the heels of Mrs. Quayle's philippic, and at the end of a day spiced with Pat Robertson's revelation that the Clintons are hatching "a radical plan to destroy the traditional family," Mrs. Bush was just a kinder, gentler coda to one long innuendo: Democrats may hug their children, but probably don't really mean it.

The effect of four days' immersion in this thick soup of values-blather was cloying to the point of gagging. It was akin to being congealed in a traffic jam behind a bus belching diesel fumes, and on the bus's bumper, smack in your line of sight, is one of those nagging stickers asking, "Have you hugged your kids today?"

Yes, I have — not that it is any business of these politicians serving as moral cheerleaders. Is there no public business — roads, schools, national defense, stuff like that — they could attend to?

The Republicans' graceless rhetoric here compelled two conclusions.

For all their talk about America's "strength" and "greatness," their tone is of frightened timidity. These are "America the Endangered Species" Republicans, terrified that neither "family values" (see Mrs. Bush's definition, above) nor the nation can survive Mrs. Clinton.

And Republicans have caught a particularly virulent version of the Democrats' quite-virulent-enough tendency (remember the Bork confirmation fight) to turn political disagreement into moral assault.

Washington Post Writers Group.

Let's Hear More About When and How to Intervene

By Stephen S. Rosenfeld

WASHINGTON — No wonder the Republicans at their convention were so eager to overreach and claim partisan credit for the end of the Cold War. It is a distraction from the daunting task of figuring out a new security strategy. When and how to intervene? It is an unsurprising irony that the question sharpened, in Iraq as in Yugoslavia, in the very week when the Bush administration was most interested in fleeing from it.

In the first flush of post-Cold War thinking, military intervention, whether conducted under national or international colors, was seen as an option that had to meet concrete standards of American national interest. Politically, the war against Iraq met this test. Intellectually, it was succinctly elaborated in a Heritage Foundation "Foreign Policy Blueprint" so unexceptionable that Bill Clinton as well as George Bush might have signed on.

Unfortunately, the new consensus failed to take account of the swellings of public opinion that met disclosure of atrocities and suffering in Somalia as well as Yugoslavia, Iraq and, separately, Haiti. Who among even the most detached analysts has not felt surges of raw feeling, translating into moral compulsion, as the summer's pictures came on? The one situation seems to have played on the other, building pressure on Washington to apply some sort of force at least in the bitterest cases, notwithstanding absence of a strong traditional national interest.

In these different cases a common demand is being asserted to pursue humanitarian goals across a national frontier. The national-interest standard holds Washington back from pursuing these goals by military means; crossing a frontier, after all, is serious stuff. Yet it becomes more evident that there are times when these goals cannot be effectively pursued except by military means.

A precedent of sorts was established when the coalition used cross-border force to bring relief to Kurds in northern Iraq. But events elsewhere have shown that the particular circumstances that made this possible — an avenging international coalition in the field against a helpless and villainous regime — are hard to replicate.

Even this precedent is not without its complicating consequences. To help the Kurds it has been necessary to raise a security umbrella — fending off the Iraqi military — under which the Kurds are advancing their political objectives of autonomy leading on perhaps to independence. Now there are plans to raise a similar umbrella over the Shiites of the south, who may yet also seize the opportunity to advance a similar political agenda.

In fact there is no easy parsing point between humanitarian means and political ends. This is no reason not to start down the path. But it must be done with an awareness that as humanitarian intervention solves one problem, it creates another — in this case the strategic, political and even ethical problem of whether to maintain the integrity of Iraq.

Here we come to the nub. In this phase anyway, the world's post-Communist troubles are turning out to be overwhelmingly ethnic and tribal. The answer that is most commonly advised and applauded is self-determination. It fits the ethnic impulse and has echoes of freedom and democracy. But of course, as Yugoslavia dramatizes, the unchecked, armed pursuit of self-determination can produce great tragedy. Like any other political idea, it must be treated carefully.

Unfortunately, the Bush administration has given caution about self-determination a bad name — by the famously offensive presidential reference to "suicidal nationalism," for instance. Bill Clinton has responded, charging the other day that an "inertia"-bound administration gave "short shrift" to yearnings for freedom in Slovenia, Croatia and Bosnia. He is right that the administration has been slow off the mark, but he ignores how those otherwise commendable "yearnings" helped ignite the Yugoslav inferno. The result is that just when America needed a bipartisan exploration of the leading-edge issue of self-determination, it has an unhelpful political face-off.

No doubt we Americans have not seen the last of the twists and turns that are shaping our view and confounding our grasp of the new world. And surely we have not seen their clearest thinking either from George Bush's team or from Bill Clinton's.

The Washington Post.

Dictatorship in Peru Ought to Worry the Americas

By Gustavo Gorriti

NEW YORK — The scars left by Shining Path's July offensive against Lima are all too evident. The windows of many office buildings in the middle- and upper-class districts of the capital look like empty eye sockets. The buildings now stand as monuments to shallow modernity, assailed by the vicious anachronism of fundamentalist revolutionaries.

A progressively stronger democracy, at the grass roots and the national level, represents the best chance of eventually defeating Shining Path.

The latest wave of attacks began on July 16, when a car bomb exploded in a narrow street in the Miraflores district. Within the next eight days one powerful car bomb after another was detonated around the city.

The failure of the army and other security forces to give even minimal protection during the first seven of those eight days exposed their ineptitude. Except for a few police units, both the army and the police, taken totally by surprise, were busy protecting themselves, hedgehog-like, in their garrisons.

Alberto Fujimori, the de facto ruler, did not appear on the scene of the bombings or offer support to the victims of the explosions. He only appeared on national television some days later to announce a few security measures. His speech on July 28, Peru's national day, was mostly used to attack the legal political parties and to defend his April 5 coup and suspension of parliament and the democratic process.

As his dictatorship has taken away the safety nets that a democracy provides — participatory decision-making, non-traumatic replacement of leadership — the last wave of Shining Path attacks brought the remaining middle class a painful realization: that the war might be lost without the army losing even one battle.

Should Latin America and the United States care? I believe they should, very much. You have only to look at a map to realize how a Shining Path victory would change the hemispheric security situation.

Historically, major revolutionary processes have either spread from or culminated in Peru. Most neighboring countries are vulnerable to the influence of the Maoist rebels. Already, Shining Path has directed some actions at Bolivia.

If it is hard to imagine the spread of Communist fundamentalism in the 1990s, remember that nobody gave a chance to Ayatollah Rubollah Khomeini's efforts to bring Iran and the rest of the Muslim world back to the Middle Ages.

What should be done?

First, the United States should continue working through the Organization of American States to increase hemispheric pressure on the Fujimori dictatorship to restore democratic rule within this year.

Pressure, steady during the first months, has been slackening, and some suspended international aid was recently released. Mr. Fujimori will try to sabotage the democratic restoration at every step; the recent easing of pressure prompted new trickery. But he is vulnerable and sensitive to external pressure.

A progressively stronger democracy, both at the grass roots and the national level, represents the best chance of turning the tide and eventually defeating Shining Path.

No democracy has ever been overthrown by a guerrilla-based insurgency. Many dictatorships, especially weak and inept ones like Peru's, have been.

Consider what the army commander, Nicolas de Bari Hermoza, was occupying himself with only a few days before the rebel offensive in the capital. At an impromptu, ridiculous ceremony, the commander declared his loyalty to Mr. Fujimori and barked attacks against Mario Vargas Llosa, the writer and former presidential candidate who has called for the West to withhold aid to the Peruvian government until democracy is restored.

Then, at the headquarters of the Special Forces unit, officers formed smartly behind their general, donning fancy berets. Brandishing glasses of Pisco sour, they proclaimed their undying loyalty to the dictator.

Contrast this scene with Shining Path's demonstration of strategic dexterity, not uncommon in highly disciplined totalitarian movements.

The movement's growth is reflected by the number of provinces declared under a state of emergency. In December 1982 there were five such provinces. In May 1991, when Shining Path proclaimed to have achieved "strategic parity" with the state, there were 87.

Since then the situation has only worsened. The rebels have moved into the cities, especially the huge shantytowns ringing Lima that for all practical purposes amount to the countryside moved into the city.

The pessimistic mood in Peru does not stem only from the security situation, bad as it is, but also from the economy's hopelessness. Mr. Fujimori's rigid free market approach has partly stemmed hyperinflation, but recession has deepened. The free market true believers did not take into account that wars, internal or external, are Keynesian affairs.

At the end of 1992 the country's gross domestic product will be the same as it was in 1973. It should not be surprising, therefore, that Peru continues to be the world's largest producer of coca and cocaine paste.

In the best scenario, Peru would emerge as a gradually more vigorous democracy and, in great part because of that process, win the war against Shining Path after a long, difficult and probably bloody struggle.

To help make this possible, Peru should be helped — once democracy is restored — through debt relief and direct support. The stakes are certainly much higher than the money that would be involved. But the continuation of Mr. Fujimori's dictatorship would only help Shining Path and make defeat a horrifying but distinct possibility.

The writer, a Peruvian journalist, is joining the Carnegie Endowment in Washington this month as a senior associate. He contributed this comment to The New York Times.

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Now Bush Gets Tough On Saddam

By Leslie H. Gelb

NEW YORK — The decision to close the skies to Iraqi aircraft below the 32d parallel makes good sense. It protects Iraqi Shiites from Saddam Hussein's murderous ways. It also could weaken Saddam. His rush to invite United Nations inspectors for a firsthand look at the Shiite situation proves that he understands the danger.

But check out the story behind the decision. It shows the lengths to which George Bush will go to win reelection, and how far his foreign friends will lean to help him. It also shows that crass political motives sometimes lead to good foreign policy.

Of course, Bush administration officials say there is an important new element below the 32d parallel — namely, Iraqi use of fixed-wing aircraft to bomb Shiites. This factor, they insist, overcame doubts about military action on the part of President Bush and Brent Scowcroft, his national security adviser.

That explanation sounds limp. Iraqi forces have been using helicopters all along. With fighting now concentrated in the marshlands, helicopters would seem a much more effective weapon than fast-moving fixed-wing aircraft. It is not clear that bombing by aircraft helps much militarily.

In any event, administration officials are quick to add that President Bush and his coalition partners have a larger purpose in imposing the "no fly" rule. It is to prevent Saddam Hussein from committing "genocide" against the Shiites. (So, what about genocide in Bosnia?)

An admirable goal in Iraq, but not credible as the driving reason behind the new decision. Saddam reportedly has been slaughtering the Shiites for 18 months, and the allies never lifted a finger to help.

Administration officials, then, fall back to the deeper reason for the new get-tough policy: toppling Saddam. The idea is to face the highly nationalistic Iraqi military with a choice between preserving the unity of the country and retaining Saddam.

Yet the allies could have put the "no fly" squeeze on Saddam and sent that signal to his military months ago, and saved many Shiite lives to boot.

Again, officials say there are reasons. They wanted and still want to keep Iraq whole to ward off scrambles for Iraqi territory by neighbors. They claim, dubiously, that they satisfied Turkish concerns by making clear that the United States would not support an independent Kurdish state in northern Iraq. Yet they worry about the ties between the Iraqi Shiites and their Iranian brethren, and the threat to Saudi Arabia.

Bush aides say they finally came to realize that the Iraqi Shiites are more "Iraqi" than "Iranian" and "fundamentalist." They now believe that they can safely aid the Shiites without actually splitting this territory from Iraq. The aides admit that this is a tricky and risky line to walk. Indeed it is, and Mr. Bush — and especially the Saudis — chose not to walk it until a few weeks ago.

At that moment of revelation about Shiites a few weeks ago, what was truly new in the situation surfaced not in Iraq but in the United States. Bill Clinton pulled way ahead in the polls, and Mr. Bush began searching the horizon for a magic campaign bullet. There he found new resolve to confront the bully who had made him so popular in the first place and whose smiling presence hangs gloomily over the Bush presidency.

It seems plausible that key Desert Storm partners dropped their strong objections to military action south of the 32d parallel mainly to elevate Mr. Bush's election prospects. Prime Minister John Major owes him for helping his comeback in April's British elections, and King Fahd owes him for saving Saudi Arabia.

Mr. Bush must resort to foreign extravaganzas for November. He cannot hope to turn the economy around in the next 70 days.

So look for whirlwind world action, which James Baker is already orchestrating out of the White House. There soon will be a much needed, nonstop conference on Yugoslavia and maybe a high-profile Mideast summit meeting. More dramatically, U.S. fighters will shoot down Iraqi planes if Saddam is dumb enough to test the president. President Bush is even ready to go further and use his fighter-bombers against Iraqi tanks and troops if they attack the Shiites again.

While Mr. Bush's motives churn unreliably in political impurities, they carry him toward better policies that he has long resisted.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Learning Russian

PARIS — The Minister of Public Instruction will introduce the study of Russian in some Paris lycées. This innovation reflects increasing mutual sympathy between the two countries. All upper classes in Russia speak French, not only gramatically but without a foreign accent, which is unusual. The French, however, will have some difficulty in acquiring one of the most difficult languages spoken on the globe. Even Russians of good position admit they do not thoroughly master their own language. We trust the youth of France may not be too quickly discouraged by difficulties they face in their endeavor.

1917: Defending a Son

PETROGRAD — A dramatic sensation has been caused in Russia by Mme. Savinkova, mother of the Minister of War, Boris Savinkov, who in a thrilling article defends her son for restoring capital punishment in Russia. "He who himself experienced all the stages of approaching execution, who knew that within a few hours his heart would cease beating — what must this man have seen to destroy all he idolized and idolize what he destroyed! My son is perhaps too strong a son, but I believe Russia needs such men. Just now we must sacrifice to secure Russia's happiness."

1942: Convoy Arrives

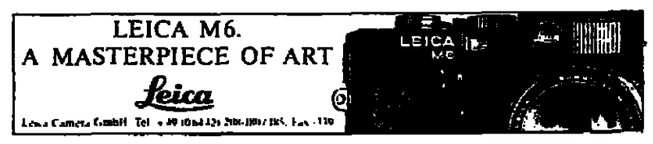
WITH THE UNITED STATES ARMY SOMEWHERE IN GREAT BRITAIN — [From our New York edition:] The largest American convoy to cross the Atlantic in this war has arrived at British ports, bringing both a vast quantity of war material and crack fighting units eager to "get it over with." This mass of men and equipment for the American air force, which already is active with Flying Fortresses blasting the Nazi transportation system by precision bombings, gives emphasis to the prospect for a second front in 1942.

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نسخة من الأصل



BUSINESS



CAPITAL MARKETS

Political Questions Stymie Summer Treasury Rally

By Frank Schnaue
United Press International

NEW YORK — America's summer bond rally has been stymied by a mixed response to events at the Republican convention and a decidedly negative reaction to the recent decline of the dollar. Long-term yields edged slightly higher last week, although most of the short end of the market offered reduced returns. Yields on the shortest bills, however, edged higher.

Bond investors spent most of the week concerned about how far President George Bush was willing to go to win this fall's election, especially whether he might push for tax cuts that could prove to be inflationary.

Bush's tax policy seems acceptable, but a falling dollar threatens prices.

The market's bellwether security, the 30-year Treasury bond due in August 2022, eased 9/32 to 98 25/32. The issue's yield, which moves in the opposite direction of its price, closed at 7.35 percent, up from 7.32 a week earlier.

Mr. Bush told delegates to the Republican convention he would propose next year "to further reduce taxes across the board" but gave no details. He also promised to pay for his tax cuts with specific reductions in spending, although he did not say which programs he would cut.

As a rule of thumb, financial market participants prefer a known quantity to an unknown one, and the Democratic challenger, Governor Bill Clinton of Arkansas, bears the tax-and-spend stigma that has been attached to his party for so long, analysts noted.

That makes bondholders a lot more comfortable with Mr. Bush, particularly because his vague ideas about lower spending, as well as lower taxes, do not appear to risk swelling the federal deficit. Nonetheless, his calls for tax cuts have raised fears among some investors that the government will be in need of large loans for a long time.

"The economy is advancing very modestly, inflation is declining and most sectors — with the glaring exception of the federal government — are making some progress in reducing bad debts," said Peter McTeague, fixed-income analyst for Technical Data, a division of Thomson Financial Services.

The bond market began its recent explosive rally shortly after the Federal Reserve Board cut its discount rate on loans to banks early in July, trimming the charge to 3 percent.

Short-term returns have declined to levels not seen since the 1960s. Yields on money-market funds have fallen by 1.5 percentage points this year and thus for many investors are now negative on an inflation adjusted, after-tax basis, analysts said.

Long-term yields also have declined. The yield on the 30-year Treasury bond just recently reached its lowest level in six years.

Even so, long-term yields have not fallen as much as short-term yields, keeping the yield curve remains extraordinarily steep, a sign that investors do not think inflation has been quelled for good.

The market came under pressure Friday following Mr. Bush's

See BONDS, Page 9

Koreans Will Miss Taiwan

Reuters

SEOUL — South Korean executives say they believe the planned diplomatic normalization with China will provide tempting business opportunities in the long term, but they fear they will suffer in the near future from the diminution of their links with Taiwan.

Foreign Minister Lee Sang Ock and his Chinese counterpart, Qian Qichen, are to sign a protocol establishing full diplomatic ties on Monday. Taiwan responded to the news on Saturday by saying it would sever ties with South Korea, cancel all trade privileges extended to Seoul and suspend air links.

Analysts said tourism and Taiwan's imports of Korean goods including cars, steel, petrochemicals and fruit could suffer, while South Korean construction companies may find it difficult to land major contracts on the island.

But Taipei is expected to ensure damage is not too severe because South Korea is a major player in the regional economy, and Taiwan has been expanding imports from Seoul to help cut its trade deficit with Japan. Taiwan "will maintain civilian economic and trade ties with South Korea based on reciprocity and mutual benefit after the break in diplomatic relations," Economics Minister Vincent Siew told the semiofficial Central News Agency.

Nonetheless, said Kim Won Tae, a senior fellow at the Samsung Group's international economic research department, "For the time being, our economy will lose more by breaking ties with Taiwan than we will gain by normalizing ties with China."

Seoul ran a $469 million trade surplus with Taiwan during the first half of this year, compared with a deficit of $65 million with China.

"In the short term, we expect no significant impact on our economic relations with China after the establishment of diplomatic relations," said an official at the government's Economic Planning Board, "but South Korean businessmen will enjoy more benefits from China in their activities there in the long run." He said about 25 percent of bilateral trade last year was carried out directly. The rest went via Taiwan or Hong Kong.

Total trade between China and South Korea stood at $5.8 billion in 1991, up from $3.8 billion in 1990. Korean officials forecast the volume to be about $10 billion this year.

South Korea's trade with Taiwan rose to $3.1 billion last year, from $2.7 billion in 1990. Seoul recorded a surplus of $94 million last year, against a $203 million deficit in 1990.

South Korea recorded a trade deficit with China of $1.1 billion in 1991 and $715 million in 1990.

"We welcome the news," said an executive at a top Seoul trading house, who asked not to be identified. "But ironically, we are biting our nails for fear of losing our business in Taiwan, where we have done very well so far."

China Warns on Tariffs

Beijing Threatens U.S. as Trade Battle Grows

Compiled by Our Staff From Dispatches

BEIJING — China criticized the United States on Sunday for drawing up a hit list of nearly $4 billion of Chinese exports targeted for punitive tariffs in a bilateral trade dispute, and Beijing threatened to retaliate if the levies were imposed.

A spokesman for the Ministry of Foreign Economic Relations and Trade was quoted by the official Xinhua news agency as saying China "regrets" the lack of substantial progress in the latest talks.

The negotiations last week in Beijing were the eighth round in which the United States has demanded that China end secret regulations, import bans and other restrictions that keep American-made products out of its markets.

After the talks ended Friday, the U.S. government published a list of $3.9 billion of Chinese exports that could be exposed to tariffs of up to 100 percent unless an agreement is reached by Oct. 10.

This is by far the largest retaliation list the United States has ever published, and although it is likely to be pared, its final value will be more than $2 billion worth of Chinese goods, said Michael H. Moskow, the deputy U.S. trade representative, in Washington.

Carla A. Hills, the trade representative, warned, "If China is to continue to enjoy full access to U.S. markets, then it must play by the rules of the international community and allow access to its market."

In Beijing, the trade ministry spokesman warned, "The unilateral publication of a black list of Chinese commodities by the U.S. side would do harm to Sino-U.S. economic and trade relations and cause great concern and anxiety among industrial and commercial enterprises."

"The Chinese side reserves the right to react with relevant measures," the spokesman said.

Ira Wolf, the assistant U.S. trade representative who led the American negotiating team, said in Beijing after the talks Friday that "significant differences" remained, but that he was hopeful for an agreement.

He said Beijing had been too slow in opening the Chinese market, leading to a U.S. trade deficit with China that is expected to reach $15 billion this year, second only to that with Japan.

While many of China's exports to the United States were targeted for retaliation, Mr. Moskow said some items were omitted because China was the major supplier and U.S. consumers would suffer. These include some kinds of toys and sporting goods and certain kinds of footwear, as well as nonsilk clothing, which is covered by another agreement. *(UPI, WP)*

Moment of Truth Arrives for Sterling

By Erik Ipsen
International Herald Tribune

LONDON — A crisis is at hand for the battered British pound.

Fourteen months after Britain steered its currency into the European Monetary System's exchange-rate mechanism, sterling is approaching the lowest levels allowable against the Deutsche mark. Having lost ground against the mark all last week, the pound closed in New York on Friday less than two pfennig above the minimum allowable level.

[On Sunday, a Treasury spokesman said British authorities would do "whatever necessary" to defend the pound within the EMS, Bloomberg Business News reported. Meanwhile, a spokesman for Prime Minister John Major said pushing up interest rates to defend the currency "certainly hasn't been ruled out" and that a sterling devaluation in the ERM was "not an option."]

The pound ended at about 2.79 DM in New York last week, down from 2.82 a week earlier. Under EMS rules, the pound cannot fall below 2.7780 DM; when it reaches that point, the British and German governments must intervene by adjusting interest rates and currency-market intervention to maintain the floor.

The British currency has recently touched its floor against the escudo, causing the Portuguese central bank to intervene.

Currency-market observers said they expected renewed selling of the pound early this week, which would to force the British government to raise interest rates. It is a step that many economists and business leaders argue would be economic suicide during a recession.

For Britain's policymakers, options are few. The first line of defense for sterling will almost certainly be aggressive buying of the currency by the Bank of England. But with the currency weak and getting weaker by the day — in spite of the fact that short-term money market rates have stood a half point above the official 10 percent level of bank base lending rates for many days — it is unlikely that a sizable increase in the base rate can be avoided.

Currency specialists see sterling as suffering from a series of maladies, not the least of which is growing fear that Britain's long-running recession will force the government to jolt the economy into gear by cutting interest rates, even if that means devaluing the pound or perhaps leaving the ERM.

Like the Italian lira, which is also trading perilously close to its official ERM floor, sterling has been hit by both the strength of the Deutsche mark, as a rise in German interest rates remains a possibility, and by the looming French vote on the European Community's treaty on economic and monetary union.

Many observers said they believed a "no" vote in France on Sept. 20 would effectively kill the notion of European monetary union and force a quick realignment of currencies within the ERM.

With all the risks for potential buyers of sterling stacked heavily on the downside, there will be huge pressure on Mr. Major and the chancellor of the Exchequer, Norman Lamont, to tip the balance back in the other direction. For months, sterling has limped along on the promise from the Conservative Party of stern action should it be required. The markets are betting the time has arrived.

Britain's policymakers now seem trapped in a vicious circle. If they do indeed push base rates higher this week, they will almost surely

See POUND, Page 9

Icahn Gives Ground In TWA Rescue Bid

By Agis Salpukas
New York Times Service

NEW YORK — Carl C. Icahn, the chairman of Trans World Airlines, and the airline's creditors have made major concessions to make the U.S. airline's pension fund viable and to guarantee jobs for its pilots, according to people involved in the talks.

They said the concessions were an effort to reach an agreement on a reorganization plan that would enable the airline to emerge from bankruptcy protection.

The people, who spoke on condition of anonymity, said that Mr. Icahn had offered to guarantee personally a significant part of the pension fund if it should run into trouble.

The struggle with the Pension Benefit Guaranty Corp. over how to make up a $1.2 billion shortfall in the pension fund has been one of the most difficult issues to resolve.

People involved in the negotiations said that major progress had been made, and that the gap between the agency and Mr. Icahn had been narrowed to about $150 million.

The focus has now shifted to members of the union for pilots and the union for machinists who have been asked by the creditors' committee to accept 15 percent cuts in pay to help the airline get back on its feet.

The creditors are prepared to forgive about $1 billion in debt in return for a 55 percent stake in the airline. The unions, in return for their concessions, would get a 45 percent stake.

The Master Executive Council, the pilots' governing body, was meeting in St. Louis on Friday to decide whether to go along with the request for a pay cut that would come from wages and benefits rather than from changes in work rules.

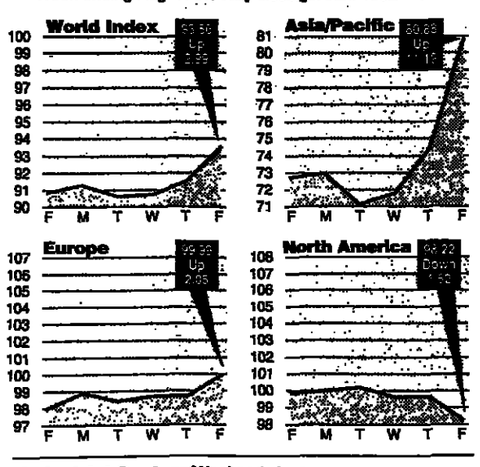
Mr. Icahn said Friday that the "future of the airline rests with Bill Compton and the MEC." Mr. Compton, the chairman of the council, has said that the pilots cannot agree yet because they have not received job protection for their members if the airline's routes, airplanes or other assets are sold.

A person familiar with the negotiations, who did not want to be identified, said that the creditors' committee had offered to guarantee the jobs of 75 percent of the carrier's 2,800 pilots if assets were sold.



THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News.
Week ending August 21, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	8/21/92 close	8/14/92 close	% change		8/21/92 close	8/14/92 close	% change
Energy	96.60	96.14	+0.48	Capital Goods	97.93	96.24	+1.76
Utilities	90.16	84.14	+7.15	Raw Materials	100.40	99.19	+1.22
Finance	80.64	72.95	+10.54	Consumer Goods	97.79	97.62	+0.17
Services	100.14	98.99	+1.16	Miscellaneous	102.37	103.87	−1.44

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, *and* Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. *In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.*

Osaka Notebook

Second City, First in Property Bargains

Osaka may be Japan's second city but for a growing number of foreign companies fed up with Tokyo's high prices and chaotic crowds, it is No. 1. Nestlé SA moved its headquarters staff from Tokyo last April; Procter & Gamble Co. is building a 33-story headquarters and research center in Kobe, the adjacent port city.

"As long as you maintain a presence in Tokyo it doesn't matter where your head office is," said one Western executive. The big advantage to Osaka is cost: rents are about one-third the level of Tokyo. Foreign companies are also attracted by good international schools and a convenient airport.

The shift to the Kansai region bucks a trend toward increasing centralization in Toyko. Osaka-based companies, including Matsushita Electric Industrial Co. and the biggest Japanese pharmaceuticals concern, Takeda Chemical Industries Co., are moving more of their staff to Tokyo to be closer to the action in Japanese finance and politics.

Sikander Khan, associate professor at the Research Institute of Economics and Business Administration at Kobe University, reckons as many as 15 percent of foreign-capitalized companies in Japan are based in the Kansai area, up slightly from several years ago. Most are well established in Japan and involved in manufacturing or pharmaceuticals — industries centered in Osaka.

The Price Stays Right

Osaka's rent advantage is likely to last a while. In the late 1980s, investment squeezed out of Tokyo's spiraling real estate market fueled an even more speculative boom in Osaka. Today, prices in Osaka are down about 40 percent from the 1990 peak, compared with a 20 to 30 percent fall in Tokyo. "For the short-term, there's going to be more of a glut in office space in Osaka," said Janet B. Lewis, an analyst at S.G. Warburg Securities.

Turbulence at Sea Level

Building an airport, especially one on reclaimed land in the sea, is never easy. But Kansai International Airport cannot seem to avoid turbulence.

First came charges of discrimination against foreign contractors and consultants. Then the discovery that the artificial island was sinking faster than planned, a problem that has delayed the airport's planned opening by more than one year, to the summer of 1994, and boosted the budget by nearly 50 percent, to 1.43 trillion yen ($11.34 billion).

Now, as the skeleton of the terminal takes shape, foreign airlines are starting to carp about not getting enough counter space. "It's an indication that the government is not going to allow us to expand our flights, even though we have the right to," a Western airline executive said.

Although airline sources say a formal decision on the number of flights into the new airport will not be made until about six months before the airport opens, the allocation of counters last month was based on the government's estimate for flights in the year 2000, according to Masato Mori, an official in charge of terminal facilities.

Carriers — domestic and foreign — requested a total of 350 counters, but only 120 were allotted, with nearly two-thirds going to three Japanese carriers. Forty counters were also left in reserve for new airlines set to inaugurate service with the airport's opening. Northwest Airlines, which vies with United Airlines as the biggest trans-Pacific carrier, applied for 80 counters, but got only eight, Western airline sources said.

"It's something we feared from the beginning," said Henk de Graauw, chairman of the Board of Airline Representatives in Japan.

Have Days of Curbs Passed?

Acting on the theory that the tail was wagging the dog, the Osaka Stock Exchange, home of the only futures contract for the Nikkei stock index in Japan, imposed a number of restrictions earlier this year meant to lessen volatility in the Tokyo stock market by making futures trading more difficult. Brokerage commissions were doubled, trading time was cut and disclosure requirements toughened.

Has it worked?

Nobutake Tano, director of futures and options at the Osaka exchange, said the result had been less imbalance between cash and futures prices and slower, smoother price movements. Whereas futures contracts once outnumbered cash trading by a factor of 10, the ratio is now between three and four.

Program trading is still having a violent effect, however, because turnover in the cash market remains so thin.

Part of the problem, from the Osaka exchange's perspective, is that much of their business has fled to Singapore, where the Singapore International Monetary Exchange trades a Nikkei futures contract. "The restrictions make people nervous because you don't know where the market actually is," said Robert Sasaki, a futures trader at Jardine Fleming Securities.

Minoru Nakamura, director of the Osaka exchange's research department, said the crackdown on futures had cost the exchange a lot in lost commissions. "If the cash market becomes stabilized, we plan to go back to the old system."

Steven Brull

BHP Fears Being Stuck With Foster's Stake

Reuters

SYDNEY — Broken Hill Pty. said Sunday it expected to be involved in Foster's Brewing Group Ltd. for quite a long time because there was no realistic exit.

The Broken Hill managing director, John Prescott, said that his company preferred that a higher bidder would emerge for the 32.2 percent stake in Foster's that Broken Hill offered last week to buy.

"Our preferred option is a higher bidder, a preferred option is to get our cash back," he said in a television interview.

The receivers for International Brewing Holdings Ltd., the company that currently holds the Foster's stake, are exploring the market for other offers for the shares.

Broken Hill is owed 1 billion dollars ($725 million) by International Brewing, which was once controlled by the former chairman and chief executive of Foster's, John Elliott.

"I think we are involved for quite a long time because I think if there isn't a realistic exit strategy for us now there won't be a realistic exit strategy after we've gone in," Mr. Prescott said. "We will have to participate in the management of Foster's as an investment and seek to build wealth and capital gain and dividends over a period of years."

Mr. Prescott said that in making its offers to the receivers, Broken Hill had indicated it was prepared to participate in any fund raising by Foster's.

Shares in Foster's fell to 1.65 dollars last week, from 1.82 the previous week, on speculation about the group's financial reconstruction and the possibility of a capital raising.

The slump in Foster's share price prompted a query from the stock exchange. Foster's said in reply that material reductions in the carrying value of its assets were likely when it announced results for the June 30 year in mid-September.

Mr. Prescott said that the company was spending about 6 billion dollars "at the moment on a whole range of other things and we are still planning other expansion."

CURRENCY RATES

Cross Rates Aug. 21

	$	£	DM	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	Cr	Peseta
Amsterdam	1.636	3.164	1.1372	0.332	0.1461 *	——	5.672 *	1.2697	1.294 *	1.2715	1.2585*
Brussels	28.825	57.88	20.575	5.846	2.5748 *	16.275	——	22.37	0.2278	24.985	22.83 *
Frankfurt	1.4529	2.888	——	0.2947	0.1315 *	0.8873	4.854 *	1.7288	1.149 *	1.2563	1.553 *
Milan (a)	1.1035	——	2.8829	9.5282	2.727.50	2.3474	57.755	2.472	744.50	2.3982	188.77
World	93.394	188.721	64.389	18.969	8.46 *	57.126	3.226	75.554	72.987 *	76.354	——
Zurich	1.3045	2.3745	761.85	224.18	——	675.45	38.953	892.38	8.725	n.a.	11.824
New York (b)	——	1.955 c	1.429	4.8895	1.880.00	1.6722	29.165	1.221	126.885	1.1998	90.35
Paris	4.9225	9.5285	3.3944	——	0.4462 *	3.9815	0.1648	0.2222	3.0965 *	4.1253	5.2715*
Rome	126.15	244.83	87.18	25.69	0.1148	77.37	4.2222	98.21	——	105.82	1.356
Stockholm	1.1925	2.3312	0.8333	0.2422	0.1093 *	0.7391	4.027 *	0.9271	0.9425 *	——	1.282 *
Zurich	1.2915	2.492	0.8869	0.2673	0.1164 *	0.7871	4.2845 *	——	1.0216 *	1.0821	1.3774*
ECU	1.4804	0.7241	2.6327	6.8895	1.548.39	2.2911	41.8687	1.1047	127.888	1.4725	108.88
SDR	1.4955	0.7518	2.7117	7.166	1.607.24	2.3795	43.3491	1.1529	133.005	1.324	105.974

*Rates in Amsterdam, London, New York, Toronto and Zurich. Rates in other centers. To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argentine peso	0.99	Greek drac.	181.70	Mex. peso	3105.89	S. Kor. won	798.50
Aust. $	1.3841	Hong Kong $	7.7345	N. Zealand $	1.8534	S. Afr. rand	2.7478
Fr. exch.	10.36	Hung. forint	75.19	Norw. krone	6.734	Swed. krona	5.9857
Ind. cruz.	4545.45	Indian rupee	28.409	Phil. peso	25.00	Taiwan $	25.13
Iran rial	5.4412	Indo. rupiah	2029.00	Polish zloty	13038.	Thai baht	25.30
Ish. shekel	2.662	Irish £	0.5457	Port. escudo	127.05	Turkish lira	4883.94
Dan. krone	5.6095	Israeli shek.	2.3906	Russian ruble	162.60	UAE dirham	3.6727
Int. assist	3.275	Kuwaiti dinar	0.294	Saudi riyal	3.7498	Venez. bolív.	67.94
Mor. dirham	3.9778	Malay. ring.	2.4972	Sing. $	1.607		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9226	1.9123	1.9019	Canadian dollar	1.1955	1.1971	1.1984
Deutsche mark	1.4584	1.4464	1.4342	Japanese yen	124.83	124.90	124.91
French franc	1.2927	1.2979	1.3030				

Rates: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Societe France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Perelman Applies New Make-up to Revlon to Lure Investors

By Jon Friedman
New York Times Service

NEW YORK — Ronald O. Perelman went all-out when he attempted to take Revlon Inc. public this summer.

The company's executives made 53 presentations to prospective investors in 17 U.S. and European cities. An elaborate road show included a Revlon video featuring the models Cindy Crawford and Claudia Schiffer.

The highlight came on July 22 at the Waldorf-Astoria in New York. Many of the 300 people in the audience burst into applause.

But the cheering stopped just eight days later. After all of the hard work, Mr. Perelman, Revlon's owner, postponed plans to sell 11 million shares of the New York-based cosmetics giant. Investors balked at his prospectus price of $14 to $15 per share and said the offer represented too great a risk in a beleaguered new-issues market.

The failure of that new issue has increased the sense of urgency at Revlon to remake the company both on Wall Street and on Main Street. Mr. Perelman now faces the difficult task of proving to skeptical investors and cost-conscious shoppers alike that there is, as he is fond of saying, "a new Revlon."

In fact, much is new at the cosmetics giant, which has been selling glamor to women for 60 years in the forms of lipsticks, nail enamels and other products for facial and eye care. A big part of the new strategy this year has been to remove products bearing the Revlon brand name from higher-priced department stores and sell them only at lower-price outlets like pharmacies, Wal-Mart and Kmart stores and supermarkets. The idea is to reach a younger group of shoppers.

For example, the company's Outrageous Lip Color lipstick that would have sold for $16 or $17 in a department store will sell for about $7.50 in the mass-merchandise outlets, said Jerry W. Levin, Revlon's president.

Revlon says that despite the price cuts, its profits on Revlon-brand products will rise because of increased volume and because the company is saving on paying for display space and beauty consultants in bigger stores.

"It was nuts to expect women to pay twice as much for our lipstick just because they were buying it in a department store," Mr. Levin said.

Revlon intends to make a bigger impact in what its executives call "Middle American" stores. The company is studying methods to improve its product displays. Because there are no beauty consultants in these stores, it is crucial for Revlon itself to communicate to shoppers about its products. The company is considering using a computer that can answer common questions from shoppers.

Revlon's new sales and marketing strategy borrows from America's most successful packaged-goods companies. The idea is to introduce a wider audience to one of America's most recognized and enduring brand names while charging less for many products.

The plan generally receives praise, but some experts caution that by concentrating on selling in the likes of Wal-Mart, Kmart, Kroger and Safeway, Revlon could sacrifice some of its trademark glamor.

Yet Revlon's strategy is showing signs of paying off. Revlon said net sales rose by 10 percent, to $365.2 million, in the first quarter of 1992, from $332.2 million in the corresponding 1991 period.

According to Nielsen Marketing Research, Revlon's share of the color-cosmetics market, which includes lipstick, nail enamel and eye and facial makeup, rose from 15.6 percent in the first quarter of this year to 16.3 percent in the second three months.

As for profitability, analysts said that while Revlon makes money on an operating level, it does not on a pretax level because interest expense outweighs operating profit.

As the made-over Revlon makes progress with shoppers, Mr. Perelman's challenge is to sell his company's potential to prospective investors. He is expected to try again to take Revlon public next year.

The 49-year-old entrepreneur has traveled a rocky road ever since he wrested control of Revlon in 1985 and eventually piled $2.9 billion of debt onto the books of MacAndrews & Forbes, the parent company, of which Mr. Perelman is chairman.

Mr. Perelman has since lowered Revlon's debt to $750 million, largely through asset sales of businesses, including Max Factor and Beatrix to Procter & Gamble.

Yet some money managers still consider him a corporate raider and a debt manipulator. Mr. Perelman objects to such characterizations and asserted that "nobody could say today that we are a highly leveraged company."

Although Mr. Perelman moved to pare Revlon's debt, he and his previous management team may have been guilty of moving too slowly to adjust to the American shopper's move toward lower-priced products and the stores that sell them. Revlon, Mr. Levin said, "should have reacted faster, no question about it."

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WEEKLY INTERNATIONAL BOND PRICES

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Canadian Dollars

Short Term

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Abb Fin	10½	94	105⅝	6.51	+121
Abb Fin	11½	92	101¼	6.69	+182
Abbey Nat	10¾	93	102½	7.88	+228
Abbey Nat	10¼	94	105⅛	7.32	+202
Aidc	10½	93	101	8.64	+373
Alberta Nat Gs	10⅝	93	102¼	7.36	+243
Amer Hospital	12¾	94	102¾	10.41	+511
Amex Cred	11¾	93	105	6.70	+177
Amex Ov Cred	9	94	102½	7.27	+177
Austri Control	10¾	92	100	9.48	+446
Austri Control	9⅝	93	99½	10.17	+530
Austri Control	10	94	105¾	6.58	+128
Avco Fin	11⅛	92	101	5.08	+11
Avco Fin	11	93	103¾	7.42	+249
B C Tele	12¼	99	106½	7.16	+106
B F C E	10	94	105	7.15	+185
B N P	10⅝	94	105⅝	6.98	+168
Banktokyo	8½	94	101½	7.46	+214
Barclays	10¾	93	102	7.41	+232
Basf	10	93	103⅝	6.04	+113
Bayer Ldbk	10¾	93	103	7.77	+284
Bayerhyp Fin	10⅝	92	99¾	10.37	+550
Bce Inc	9⅝	93	101⅛	7.42	+255
Bergen City	9⅝	93	98¼	12.03	+716
Bergen City	8⅝	94	99¼	9.08	+378
Berliner Bk	10¼	93	103½	6.60	+167
Bhf-Bk Fin	10⅝	92	100	8.92	+404
Bk Hand & Ind	10⅜	94	104¼	7.10	+217
Bk Mont Real	10⅜	92	100	9.73	+406
Borden Inc	10⅝	93	105	6.41	+148
Bq Generale	10	93	101¼	7.36	+243
Bq Indosuez	10	94	104⅝	7.38	+205
Bq Intl Lux	11	92	98⅝	14.46	+939
Brit Columb	12	93	105	7.52	+259
Brit Columb	9¼	93	100⅞	8.04	+377
Brit Gas	10	94	105⅝	6.70	+140
C C F	10⅝	94	105⅝	6.79	+149
C N C A	12⅛	93	104⅝	5.05	+15
Can Nat Rail	11⅞	93	100⅞	7.13	+220
Can Nat Rail	9⅝	94	104	7.02	+172
Can Nat Rail	12½	95	102¾	11.17	+553
Can Occi Petro	12⅝	99	106	7.92	+262
Can Trusco	10⅝	93	101	8.23	+334
Chrysler C Can	9¼	93	98½	11.25	+638
Chrysler Fin C	11	93	100	10.14	+527
Cibc Singapore	11⅜	94	106¼	7.25	+195
Cie Bancaire	10⅝	94	106	6.59	+123
Cie Bancaire	10¾	94	104⅝	7.38	+199
Cnt	9½	94	103⅝	6.34	+141
Coca-Cola Bott	11	93	104⅝	6.43	+150
Commerz Osea	10¼	92	100	9.26	+438
Council Europe	11¾	92	101¾	7.45	+253
Cr Local	11½	93	104¾	6.72	+179
Cr Lyonnais	12⅝	93	106⅛	3.97	-90
Creditanst	10¼	93	102½	7.79	+286
Creditanst	10⅝	94	105¼	7.39	+202
Deut Bk	9½	93	101¼	8.22	+329
Deut Bk	9⅝	93	100½	8.01	+314
Deut Bk	9	94	102½	7.19	+189
Deut Giro	10⅛	92	99	62.82	5812
Dg Bank Intl	9½	93	100½	8.21	+334
Dresdner Fin	9¾	93	100½	8.05	+318
Edmonton	9¾	08	102½	9.30	+166
Eksportfin	10⅝	94	106½	7.16	+183
Eksportfin	10⅛	94	105⅝	6.87	+157
Eldorado Nuc	11⅛	93	104	4.54	-33
Exp Dev Corp	9⅜	93	101½	7.27	+240
F B D B	10½	93	101⅝	8.01	+311
F B D B	8¾	93	99	9.79	+490
Farm Credit	10	92	99	12.30	+743
Farm Credit	12½	93	102¼	7.69	+282
Ferrovie	10¼	93	102½	7.75	+282
Fiat Finance	10¼	93	102¼	7.60	+267
Fin Exp Cr	13⅝	93	106⅜	3.48	-139
Fin Exp Cr	11⅜	93	101½	7.26	+239
Ford Cred Can	11¾	92	100½	7.43	+274
Ford Cred Can	10⅝	92	100	9.55	+462
Ford Cred Can	10	93	102¼	6.40	+153
Ford Cred Can	10¾	93	102¼	6.70	+180
Ford Cred Can	9⅝	93	101⅝	6.53	+166
Ford Cred Can	10¼	93	101¾	6.74	+181
Ford Cred Can	10⅝	93	102	5.73	+86
Ford Cred Can	10	93	102	6.39	+152
Ford Cred Can	10	94	104	7.71	+241
Ford Motor Cr	10¼	94	105¼	7.44	+211
Gaz De Fra	11⅜	95	103	6.85	+155
Gecc	10¼	93	104¼	5.99	+106
Gecc	10⅝	94	106⅝	4.73	+139
Gecc	11½	92	101⅛	-2.44	-735
Gen Elc Cap Co	9⅝	93	100¾	7.98	+311
Genelcan x/w	10½	92	99½	12.19	+730
Genfinance	10⅝	93	102⅝	7.70	+277
Genoss Zentrbk	9⅝	93	102	7.25	+248
Gerstar	11⅜	93	102¼	7.37	+287
GMAC	8½	92	99	34.63	2972
GMAC	9⅝	93	103	6.79	+186
GMAC Can	10⅝	92	99	12.67	+780
GMAC Can	10⅝	93	103½	6.58	+165
GMAC Can	10⅝	94	104¼	7.34	+231
GMAC Can	10	94	104⅝	7.14	+221
GMAC Can	11	94	105	7.32	+202
GMAC Can	11¾	94	106½	7.25	+205
GMAC Can	9¾	93	102	6.44	+157
Hamilton Went	10¼	08	105⅝	7.62	+219
Household Fin	10⅝	93	101½	6.88	+173
Household Fin	11	93	103½	7.36	+242
Household Fin	11¼	94	104½	8.26	+333
Household Fin	9	94	100¼	8.77	+347
Ibm Can	11⅜	94	107⅛	6.43	+112
Ibm Can	9¾	93	101⅛	5.67	+80
Indust Kred Bk	9	94	101½	7.92	+262
Interfin Cred	11½	94	105⅝	6.29	+95
Kredietbank	9⅛	92	99½	12.23	+824
L T C B	11⅜	94	106	7.14	+186
Lb Schles-Hols	10⅝	93	103½	7.39	+237
Lb Schles-Hols	10⅝	93	101⅝	7.53	+265
Lb Schles-Hols	10¼	94	104	8.16	+286
Mcdonalds	9⅝	93	101⅛	7.42	+255
Mcdonalds Can	11½	94	107⅜	6.52	+122
Mercedes Benz	10¼	94	105½	7.28	+197
Metro Toronto	13	94	111	7.31	+194
Mntrl Tst Inc	11	93	101	7.54	+267
Mntrl Tst Inc	10¾	93	102½	7.45	+256
Mntrl Tst Inc	10¾	93	104⅝	4.81	+188
Mntrl Tst Inc	11	93	103½	7.54	+261
Mntrl Tst Inc	11⅜	94	106	7.73	+243
Mntrl Tst Inc	11¼	94	105⅛	7.75	+245
Montreal City	10	93	98⅞	11.82	+695
Montreal City	11¼	93	100⅛	9.84	+497
Montreal City	10⅝	94	104⅜	8.10	+288
Morgan J P	13	93	106⅝	4.88	-2
Natl Nederland	10⅝	94	105⅛	6.75	+145
Nip Credit	9⅝	94	102½	7.59	+228
Nip T&T	11⅜	92	101½	4.41	-46
Nord Lb	10¼	92	99	13.14	+827
Okb	9⅝	93	100⅜	8.09	+322
Olymp & York	11½	92	90¾	63.75	5087
Olymp & York	11	93	99½	11.11	+618
Ottawa-Carlton	12½	94	110¼	7.27	+185
Proct Gamble	11	92	100⅞	7.72	+285
Prov Alberta	10⅝	94	107⅛	4.72	+142
Quebec City	10⅝	94	105⅛	7.95	+261
Quebec Hydro	11	95	101⅛	6.85	+155
Quebec Hydro	12¼	95	101⅛	7.76	+246
Quebec Trans	9⅝	93	97	14.47	+960
R B C	10⅝	94	106½	7.48	+286
R B C	11⅛	93	102	5.27	+48
Royal Trustco	9⅝	93	100⅛	8.52	+365
Royal Trustco	10⅝	94	103½	8.01	+303
Royal Trustco	10⅝	94	104½	7.85	+255
Royal Tst Mort	10⅝	93	105⅝	7.38	+245
Royal Tst Mort	10⅝	94	105	7.29	+199
S B C Cay	11½	93	105	7.01	+208
Saskatchewan	10¼	93	102⅝	7.86	+293
Saskatchewan	10½	94	104	7.52	+239
Saskatchewan	10	94	104	7.49	+219
Scotia Mort	10⅝	93	102	7.88	+296
Sears	10	92	99	28.71	2377
Sears	10	93	102½	7.36	+243
Shell Canada	11⅜	92	101	5.37	+51
Shell Canada	11	94	106⅛	6.91	+161
Shell Canada	10⅝	94	106⅝	7.10	+172
Sweden	9⅝	93	102	6.64	+157
Telesat Canada	10⅝	94	103⅞	7.51	+258
Telesat Canada	10½	94	103⅞	8.36	+306
Tor-Dom Bk	10⅜	94	104⅛	7.53	+218
Tor-Dom Bk	11	94	106⅛	6.91	+161
Toyota Credit	10⅝	94	106⅝	6.70	+144
Toyota Mot Cr	10⅝	94	105⅝	6.30	+108
Transalta	13⅝	94	102½	-7.92	-322
U B S Fin	10	94	105⅝	2.14	+184
Univ of Quebec	10	93	98½	10.93	+603
Vienna City	11⅛	93	99⅝	11.22	+633
Vienna City	9⅝	93	97⅝	13.07	+820
Westlb Fin	9⅝	93	100⅝	8.32	+345
Winnipeg	10⅝	93	101½	8.67	+374
World Bk	10⅝	93	101½	8.50	+360
World Bk Oct	11	94	107⅝	7.19	+184
Xerox Canada	11⅜	92	99½	13.23	+833

Governments/Supranationals

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Asfinag	10¾	01	112¾	8.85	+83
Austri Control	11¼	95	110¼	6.53	+72
Austri Control	9	97	107½	7.07	+66
Austri Control	8½	97	105⅝	7.13	+54
Austri Control	9	97	106⅝	7.19	+66
Austri Control	10¼	99	113⅝	7.68	+66
Austri Post	10⅜	01	116¼	8.12	+87
Austria Rep	9⅝	02	108⅝	7.83	+52
Brit Columb	10	96	110⅝	6.70	+48
Brit Columb	10	98	111⅜	7.53	+73
Brit Columb	10⅝	01	115⅝	8.11	+90
Brit Columb	9¾	96	108	6.71	+73
Brit Columb	9⅝	01	107⅝	8.10	+86
British Col	9¼	97	105½	7.04	+86
Canada		01	50⅝	8.13	+90
Cr Suisse		00	57⅝	7.82	+69
E I B	8⅝	02	107⅜	7.69	+39
Ecsc	10	95	109½	6.42	+60
Edf	10⅝	95	109⅝	6.27	+58
Edf	9⅝	99	111⅛	7.62	+57
Eib	10⅝	98	111½	7.43	+85
Eib	10⅝	99	112	7.87	+76
Eib	11¼	01	120	7.88	+67
Eib	12	95	114⅛	6.19	+50
Eib	9	96	106⅝	6.91	+88
Eib	9	96	107¼	6.98	+74
Eib	8⅝	02	105⅝	7.55	+23
Eksportfin	10¼	96	110⅝	6.96	+85
Eksportfinans	7⅝	97	102⅝	7.11	+56
Elec Pwr Dev	8⅝	97	106⅝	7.18	+75
Elec Pwr Dev	10⅝	01	114⅝	8.08	+82
Eurofima	10⅝	96	112½	6.86	+66
Eurofima	10⅝	01	116⅝	8.10	+85
Eurofima	6½	95	100⅛	6.27	+47
Exim Bk Jap	8½	97	105⅝	7.17	+59
Exp Dev Corp		96	80	6.62	+72
Fin Exp Cr	10½	95	108⅝	6.62	+100
Fin Exp Cr	10¼	96	110	7.28	+118
Fin Exp Cr		97	77	7.17	+91
Fin Exp Cr	8⅝	95	104⅝	6.70	+81
Finland	9	98	107⅛	7.53	+67
Iadb	10⅝	96	112⅛	6.78	+67
Iadb	9	02	107¾	7.93	+61
Jap Dev Bk	12½	95	113⅛	6.66	+92
Manitoba	9⅝	98	107½	8.26	+152
Metro Toronto	10⅝	95	109⅛	6.54	+78
Metro Toronto	8⅝	97	105	7.37	+98
Metro Toronto	11	99	112⅝	8.44	+154
Montreal City	11½	95	111⅛	6.67	+98
Montreal City	10⅝	95	109⅛	6.75	+103
Montreal City	11	96	111⅛	7.82	+114
Montreal City	9	97	104⅛	7.82	+151
N Brunswick	11⅝	95	113	6.34	+65
N Brunswick	12	95	112⅝	6.11	+61
N Brunswick	10⅝	96	112⅝	7.18	+105
N Brunswick	10⅝	98	112⅝	7.80	+98
N Brunswick	10⅝	01	112⅝	8.30	+109
N Brunswick	10	99	105⅝	7.95	+125
N Brunswick	9⅝	02	107⅝	8.14	+84
New Zealand	10½	95	109⅝	6.32	+63
Newfoundland	9⅝	97	107⅝	9.34	+155
Norway	9⅝	96	101⅝	6.49	+60
Nova Scotia	11⅜	95	111⅝	6.53	+93
Okb Jun		97	73⅝	7.83	+64
Ontario Prov	10⅝	98	112	7.34	+82
Ontario Hydro	10⅝	96	112⅝	6.66	+60
Ontario Hydro	10⅝	99	115⅝	7.71	+87
Ontario Hydro	10	01	112⅝	8.11	+89
Ontario Hydro	9	02	107⅝	7.99	+67
Ontario Hydro	8¾	02	105⅝	7.96	+67
Ontario Hydro	10⅛	21	112⅝	9.07	+73
Ontario Prov	10⅝	96	110⅝	6.91	+47
Ontario Prov	10	96	110⅝	7.06	+71
Ontario Prov	10¼	98	111⅝	7.59	+92
Ontario Prov	9⅝	01	105⅝	8.21	+94
Ottawa-Carlton	9⅝	98	108⅝	7.53	+84
Prov Alberta	10⅝	96	111½	6.76	+88
Quebec City	9⅝	96	107⅝	7.28	+123
Quebec City	9	97	104	7.91	+154
Quebec Hy	9⅝	96	107½	6.97	+92
Quebec Hyd Gl	10⅝	01	114	8.46	+132
Quebec Hydro	10⅝	95	108⅝	6.68	+103
Quebec Hydro	10⅝	96	110⅝	7.17	+104
Quebec Hydro	9	97	106	7.41	+104
Quebec Hydro	11	99	114⅝	8.04	+114
Quebec Hydro	9½	01	105⅝	8.52	+129
Quebec Hydro	10⅝	01	112⅝	8.49	+127
Quebec Hydro	10⅛	21	113⅝	9.37	+101
Quebec Hydro	9⅝	22	105⅝	9.26	+96
Quebec Prov	12	95	111	6.80	+132
Quebec Prov	10⅝	96	118⅝	7.16	+121
Quebec Prov	10⅝	98	112	7.97	+113
Quebec Prov	11⅝	98	117⅝	8.44	+126
Quebec Prov	9	97	106⅝	7.28	+109
S E K		95	84⅝	6.26	+59
S E K		99	58⅝	7.94	+88
S E K Corp	10⅝	96	110⅝	6.80	+88
Soc Quebecoise	9	02	104⅝	8.28	+94
Stockholm	10⅝	96	110⅝	7.18	+111
Sweden	10⅝	98	114	7.51	+82
Vancouver	10⅝	01	180⅝	10.59	+335
Vancouver	11⅜	95	112	6.36	+81
Ville De Montr	11¼	96	112⅝	7.01	+119
Westlb Intl		96	79⅝	6.83	+94
World Bank	9	96	107⅝	6.73	+62
World Bk	10⅝	99	111⅝	7.89	+87
World Bk	11⅝	95	116⅝	5.62	-28
World Bk	13⅝	95	114⅝	7.37	+168
World Bk		96	77⅝	6.92	+92
World Bk Bear	9	96	107	6.94	+83

Banks

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
B N P	8	97	103⅝	6.95	+64
B N P	9	97	107⅝	7.14	+57
Banktokyo	10⅝	95	110⅝	6.98	+115
Bayer Hypo	10⅝	96	111	7.04	+71
Bk Nova Scotia	9⅝	97	107	7.42	+134
Bnp	8⅝	02	104⅝	8.09	+77
Bnp Dec	8⅝	95	106	6.67	+77
C C F	10⅝	96	110⅝	6.98	+72
C N C A	10⅝	96	111⅝	7.12	+72
Cariplo	8⅝	97	104⅝	7.42	+103
Cie Bancaire	8⅝	97	103⅝	7.35	+103
Cr Local	10⅝	95	108⅝	6.46	+61
Cr Local	7⅝	97	102⅝	7.22	+64
Cr Lyonnais	10⅝	96	111	7.43	+96
Cr Lyonnais	8½	97	104⅝	7.20	+85
Deut Bk Fin	11⅝	95	112⅝	6.63	+84
Deut Bk Fin	10⅝	99	112⅝	7.71	+79
Deut Bk Fin	10⅝	01	113⅝	7.99	+77
Deut Bk Fin	9⅝	96	108⅝	6.94	+77
Deut Bk Fin	7⅝	98	101⅝	7.36	+75
Deutsche Fin	10⅝	98	101⅝	6.90	+60
K F W Intl Fin	11⅝	95	113½	6.42	+61
Kfw	9⅝	02	110⅝	7.95	+65
Kfw Intl Fin	8⅝	97	104⅝	7.10	+77
Kfw Intl Fin	10	01	112	7.99	+77
Mntrl Tst Inc	10⅝	98	111	8.16	+153
Rabobank Nl	8⅝	96	105⅝	6.76	+74
S B A B	9	96	102⅝	7.46	+88
Soc Gen	10⅝	95	107⅝	6.57	+83
St Bk Sth Aust	10	95	107⅝	6.43	+103
Tor-Dom Bk	10	95	107½	4.78	+115
Z-Laenderbk	6⅝	96	100⅝	6.61	+73

Corporates

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
B P America	10⅝	98	111	7.97	+131
B P America	10⅝	01	114	8.56	+121
Bell Canad Reg	9⅝	98	109½	6.88	+69
Bell Canada	10⅝	96	110⅝	7.14	+116
Bell Canada	10⅝	99	112⅝	8.22	+120
Bell Canada	12⅝	00	121⅝	8.53	+136
Bell Canada	10⅝	04	115⅝	8.79	+135
Bell Canada	9⅝	96	107⅝	7.17	+97
Bell Canada	8⅝	97	106⅝	7.26	+80
Bell Canada	9⅝	06	105	8.72	+119
Bk Mont Real	9½	94	104⅝	8.10	+212
Bmw Fin	10⅝	95	109	6.68	+84
Brit Gas	10⅝	98	111½	7.49	+85
Brit Gas	9⅝	01	107⅝	7.94	+67
Can Nat Rail	9⅝	96	108⅝	6.91	+77
Can Nat Rail	10	98	109⅝	7.93	+111
Can Nat Rail	8⅝	01	104	8.28	+97
Canada	9⅝	98	98⅝	10.11	+331
Carlsberg	10	97	109	7.73	+126
Ciba Geigy	9⅝	96	107⅝	7.83	+85
Commun Urb	8⅝	97	101½	8.45	+208
Daimler N Am	9⅝	01	107½	8.27	+101
Dutch St Mines	10⅝	96	109⅝	7.21	+125
Ford Cred Can	13⅝	95	114⅝	7.06	+136
Ford Cred Can	9⅝	96	107⅝	7.51	+131
Ford Motor Cr	10⅝	96	111⅝	6.97	+106
Ford Motor Cr	11	96	111⅝	7.51	+142
Gaz Metrop	10⅝	95	110⅝	7.17	+128
Gecc	10	93	109⅝	7.23	+111
Gecc	10	96	109⅝	7.04	+102
Gecc	10⅝	97	110⅝	7.33	+101
Gecc	8	97	99⅝	7.37	+71
Gen Elc Cap Co	12⅝	95	113⅝	6.77	+103
Gen Elc Cap Co	11⅝	95	112⅝	6.91	+102
Gen Elc Cap Co	9⅝	96	99⅝	6.61	+51
Gen Elc Cap A	9	97	111⅝	6.60	[illegible]
Gen Elc Cap Co	10⅝	97	111⅝	7.02	+94
Gen Elec Cap	8⅝	95	103⅝	6.62	+73
GMAC	10⅝	95	108⅝	6.89	+122
GMAC Can	7⅝	97	102⅝	7.63	+173
GMAC Can	10	95	108	6.96	+114
GMAC Can	11⅝	95	112⅝	7.05	+121
Guinness Fin	9⅝	98	108⅝	7.20	+101
Ibm Can	10	96	109⅝	7.20	+108
Ibm Can	11⅝	95	112	6.55	+106
Ibm Can	11	96	111⅝	6.98	+110
Ibm Can	12⅝	95	114⅝	6.72	+105
Ibm Intl Fin	10⅝	96	110⅝	6.97	+75
Kansai Elec	8⅝	96	105⅝	7.17	+94
Kyushu Elec P	10⅝	01	110⅝	8.50	+124
Mcdonalds Can	10⅝	01	110⅝	7.82	+184
Mobil Aust Fin	10⅝	98	111	7.82	+104
Nip Tel & Tel	8½	97	105⅝	7.18	+66

ECU Straights

Pound sterling

Yen Straights

MUTUAL FUNDS

Figures as of close of trading Friday, Aug. 21.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

(Continued on next page)

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New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Aliso VII	$200	1996	1.31	100	—	Over 6-month Libor. Noncallable. Fees 1%. (Nomura Int'l.)
Auxiliaire de Crédit Foncier	$200	2002	⅛	100	—	Below 6-month Libor. Minimum interest 5%, maximum 10%. Noncallable subordinated notes. Fees 0.50%. Denominations $10,000. (Paribas Capital Markets.)
BankAmerica	$500	1995	⅜	100	—	Over 3-month Libor. Noncallable. Fees 0.1875%. Denominations $10,000. (Kidder Peabody Int'l.)
Bayerische Vereinsbank	$200	2002	⅛	100	—	Below 6-month Libor. Minimum interest 5%, maximum 10%. Noncallable subordinated notes. Fees 0.50%. Denominations $10,000. Increased from $150 million. (Merrill Lynch Int'l.)
Bayerische Vereinsbank	$ 50	2002	⅛	100	—	Below 6-month Libor. Minimum interest 5%, maximum 10%. Noncallable subordinated notes. Fungible with above-mentioned issue, raising total to $250 million. Fees 0.50%. Denominations $10,000. (Merrill Lynch Int'l.)
Columbus 1 Int'l Finance	$ 24	1997	1	100	—	Over 6-month yen Libor. Noncallable senior notes. Fees 1%. Denominations $100,000. (Salomon Brothers Int'l.)
Columbus 1 Int'l Finance	$ 24	1997	1	100	—	Over 6-month Libor. Noncallable senior notes. Fees 1%. Denominations $100,000. (Salomon Brothers Int'l.)
Dresdner Bank	$250	2002	⅛	100	—	Below 3-month Libor. Minimum interest 5%, maximum 10%. Noncallable subordinated notes. Fees 0.50%. Increased from $200 million. (Dresdner Bank.)
Fuji Bank Int'l	$350	perpt	0.85	100	—	Over 3-month Libor, with fallback rates of 1 over Libor in first five years, 1.30 over in years 6 to 10 and 2.05 over thereafter. Noncallable. Fees 0.30%. (Merrill Lynch Int'l.)
Fuji Int'l Finance	$150	perpt	0.80	100	—	Over 3-month Libor in first five years, 1.30 over in years 6 to 10 and 1.80 over thereafter. Noncallable subordinated notes. Fees 0.30%. (Fuji Int'l Finance.)
Korea Merchant Banking	$ 30	1995	½	100	—	Over 3-month Libor. Noncallable. Fees 0.42%. (Korea Exchange Bank Int'l.)
Shearson Lehman Brothers Holdings	$125	1995	¾	99.85	—	Over 3-month Libor. Noncallable. Fees 0.25%. (Lehman Brothers Int'l.)
Sumitomo Bank Int'l Finance	$250	2006	0.45	100	—	Over 6-month Libor for first nine years and 0.50 over thereafter. Callable at par in 2001. Fees 0.20%. Denominations $100,000. (Sumitomo Finance Int'l.)
Sumitomo Bank Int'l Finance	$250	2007	0.45	100	—	Over 6-month Libor for first ten years and 0.50 over thereafter. Callable at par in 2001. Fees 0.20%. Denominations $100,000. (Sumitomo Finance Int'l.)
Spintab	£100	1997	0.30	99.61	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations £10,000. (Natwest Capital Markets.)
Crédit Local de France	C$ 125	2002	0.20	100	—	Below 6-month Canadian Bankers Acceptances. Minimum interest 6⅛%, maximum 10½%. Noncallable subordinated notes. Fees 0.50%. (Merrill Lynch Int'l.)
Swedish Export Credit	C$ 150	2002	0.30	99.95	—	Below 3-month Bankers Acceptances. Minimum interest 6%, maximum 9½%. Noncallable. Fees 0.50%. (Kidder Peabody Int'l.)
Fixed-Coupons						
Banque Nationale de Paris	$200	1997	6	101.575	100.15	Reoffered at par. Noncallable. Fees 1⅞%. (BNP Capital Markets.)
Columbus 1 Int'l Finance	$ 12	1997	8⅛	100	—	Noncallable junior notes. Fees 1%. (Salomon Brothers Int'l.)
KFW Int'l Finance	$500	1997	5¾	99.65	99.95	Noncallable. Fees 0.25%. (Deutsche Bank.)
Petrofina (Delaware)	DM 100	1997	9	102.05	—	Noncallable. Fungible with outstanding issue, raising total to 300 million marks. Fees 2%. (Deutsche Bank.)
Den Danske Bank	DK 300	1997	10	101⅞	99.75	Noncallable. Fees 1⅞%. (Den Danske Bank.)
Swedish National Housing Finance	Aus$ 250	1996	7½	98.533	—	Semiannually. Noncallable. Fees 0.25%. Denominations Aus$500,000. (S.G. Warburg Securities.)
Equity-Linked						
Toyo Kanetsu	$100	1996	2¼	100	—	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 496 yen per share and at 126.85 yen per dollar. Fees 2¼%. (Yamaichi Int'l Europe.)

Fighting the Flippers: Mutual Funds Set Limits

By Susan Antilla

New York Times Service

NEW YORK — Investors in baseball cards, shopping centers and antique cars cheerfully accept that their investments might prove tough to sell quickly.

But a lack of liquidity in mutual funds? The recent initial public offering of the Japan Equity Fund shows that at least some investors simply are not ready to be barred from getting out of a fund whenever they feel like it — even if the restriction is fully disclosed to them ahead of time, and even if the illiquidity lasts only for a short time.

Like it or not, however, investors will encounter a growing number of such funds.

Ordinarily, investors in on settlement day can call their brokers and bail out of a closed-end fund if they see a market tumbling the way Tokyo was recently.

Not so for Japan Equity, a Daiwa Securities fund introduced in July. That is because Daiwa, in an effort to dissuade disruptive "flippers" from buying its fund, had slapped handcuffs on investors for the first weeks of the fund's existence.

Thus, the investor who paid up on the July 24 settlement date could not get out until Aug. 14. In that period, net asset value of the fund had fallen 12.5 percent, to $8.11 a share. And that was excluding hefty transaction costs amounting to 60 cents a share, for shares originally offered at $10 each.

Flippers are institutional investors who buy into an initial public offering with the intention of selling as soon as the shares begin trading. Sometimes, they commit to buy shares of such an offering because the new-issue market is hot, and they would like to cash out right away for a quick profit.

Flippers sometimes commit even to a lukewarm offering, as Japan Equity was. Flippers make the sacrifice of buying into so-so offerings because it is an inexpensive way to give business to brokerage firms that give them various services.

Syndicators of closed-end funds have long been in a quandary over how to protect themselves and their long-term investors from the share-price tidal waves that flippers can set off when they bail out.

One reasonable way, first used by Merrill Lynch with its Jundt Growth Fund a year ago, is to make investors wait a month or so to exit.

Flippers have little interest in tying up money for that long, the reasoning goes, so long-term investors can sleep at night.

But can they sleep at night knowing they have no way out of a falling investment? Luckily for the Japan Equity investors, the rally in Tokyo shares late last week has made many of them whole again.

But those skittish players who bailed out on the first day of trading didn't fare so well. By the close of the first day of trading Aug. 14, 2.4 million Japan Equity shares had changed hands as investors rushed to take advantage of their first opportunity to leave. A number of those sales were at prices as low as $8.875.

By Aug. 19, volume had fallen to 130,000 shares, suggesting that the frantic sellers were out of the market on that first trading day. And by Friday, as the Tokyo market continued its rally, the first-round sellers no doubt were feeling a tad silly. Japan Equity shares closed at $9.625.

Despite Daiwa's restrictions on selling, quite a few investors managed to duck out before they had committed money in the first place by complaining to their brokers.

Syndicate managers say the delayed trading is an improvement on previous attempts to keep out flippers. Several years ago, syndicates tried to scare away flippers by slashing commissions to brokers who could not talk a customer out of selling in the first month.

Now packagers of closed-end funds are increasingly considering the delayed-trading tactic, as they see the success of operators like Merrill and Daiwa, who have frightened off the flippers.

Add to that the possibility that the Securities and Exchange Commission will implement proposals for "interval" mutual funds that would allow investors to sell only in specified periods, and investors will have increasing choices among funds with restrictions on liquidity.

In China, a Pro-Market Signal

Reuters

BEIJING — China is considering the appointment of a prominent reformer to head a new government body to oversee the development of China's stock markets, which would give a clear message that its experiments with securities will continue.

There had been fears that the experiments might be derailed by riots that broke out this month in the southern city of Shenzhen during a badly organized lottery to issue shares.

The new body may be headed by a vice premier, Zhu Rongji, a leading reformer and a key ally of the paramount leader Deng Xiaoping, according to a report in the official China Daily newspaper. Mr. Zhu currently heads the powerful Trade and Economy Office, which has been granted broad authority to push through Mr. Deng's economic reforms.

The China Daily article said the commission would report directly to the State Council, China's cabinet, and would probably be set up before the end of this year. The article said that both Chinese economists and government officials believed the violence in Shenzhen would not affect the development of the securities industry.

China has two fledgling stock markets in Shenzhen and Shanghai that list different kinds of shares for overseas and domestic investors.

"The incident in Shenzhen was only caused by technical muffs that have nothing to do with the government's policy of implementing a share-holding system," Li Qinguan, a government economist, was quoted as saying.

"The policy will not change," said Jin Jiandong, president of the Securities Association of China. "On the contrary, the state is busy establishing a securities administrative commission and drawing up securities laws."

An estimated one million people poured into Shenzhen earlier this month to buy lottery tickets giving them a chance to buy shares in 14 new issues planned for this year.

Allegations of rampant corruption sparked violence during which would-be investors besieged government offices, overturned and burned cars, smashed shop windows and fought battles with police firing tear gas.

The mayhem exposed the dangerous lack of supervision over China's stock markets and the lack of a proper legal framework. China has no national securities law and local authorities have broad powers.

Mr. Zhu was dispatched to Hainan earlier this year to close a stock exchange that opened without Beijing's approval.

Norwegian Suggests State Buy UNI's Skandia Stake

Reuters

OSLO — Norway should buy the 28 percent stake in Skandia AB of Sweden now held by UNI Storebrand A/S as part of a package of indirect government aid to the stricken Norwegian insurer, a business executive suggests.

The idea came from Einar Falck, chairman of Saga Petroleum A/S and former head of Vesta Group PLC, another Norwegian insurer. UNI Storebrand owned 6.3 percent of Saga's stock at the end of 1991.

In an interview Saturday in the Aftenposten newspaper, Mr. Falck said, "If the state is to go in and help the country's biggest insurance firm, it should happen by buying the 28 percent stake in Skandia."

UNI Storebrand bought the stake last year for around 4 billion kroner ($697.6 million at the current exchange rate), as part of a bid to force Skandia into a Nordic insurance pact. The stake is now worth around 1 billion kroner after a stock price collapse.

Mr. Falck said UNI Storebrand's problems were tied to uncertainty around its Skandia stake.

BUSINESS BRIEFS

Waigel Expects German Growth of 3%

BONN (Reuters) — Finance Minister Theo Waigel said Germany would achieve economic growth of some 3 percent over the next few years, contradicting a top government economic adviser who said the country could face recession.

"All forecasters, such as the OECD, the IMF or other international organizations, are predicting a growth of some 3 percent for the global economy over the next few years," Mr. Waigel said in a television interview.

"I am also certain that we, Germany, with our good conditions, can achieve a growth of such magnitude," he said in response to a comment by Herbert Hax, one of the government's top economic advisers, who said last week that Germany was no longer far from recession.

Manila Asking for IMF Extension

MANILA (Reuters) — The Philippines has asked the International Monetary Fund to extend an economic stabilization program, due to expire by the end of the year, for three months, Central Bank Governor Jose Cuisia said Sunday.

Mr. Cuisia told reporters that the Philippines needed the extension while it worked out a new three-year program with the Fund. He declined to give details of the new program.

Mexico GDP Rose 2.8% in First Half

MEXICO CITY (Reuters) — Mexico's gross domestic product rose 2.8 percent in the first half of 1992 and growth slowed considerably in the second quarter, government publications said Saturday.

Gross domestic product rose 4.2 percent in the first quarter of the year, but growth slowed to 1.5 percent in the second quarter, said the government-owned daily El Nacional.

LSI Logic Cuts 4% of Work Force

MILPITAS, California (UPI) — The U.S. computer-chip producer LSI Logic Corp. announced it had cut 175 jobs, or 4 percent of its work force, and closed a plant in Germany as part of a major shift in strategic direction.

LSI said it would take a restructuring charge in the range of $95 million to $110 million that will result in a loss of more than $100 million in its third quarter, ending Sept. 27.

Tokyo Aid Will Be Up to $63 Billion

United Press International

TOKYO — The government's economic stimulus package to rescue the tumbling Japanese stock market is likely to total up to $63.4 billion, according to a stream of local weekend news accounts that cited government sources.

The package was announced with scanty details on Tuesday, and the full explanation is expected on Friday. Finance Minister Tsutomu Hata announced the package after the stock market's Nikkei average fell to a six-year low, and the gauge ended the week surging to a 9.24 percent gain at 16,216.88. Six percentage points of the gain came on Friday.

The daily Asahi Shimbun reported Sunday that the Finance Ministry hoped to establish a company by early next year to buy land held by financial institutions as collateral for bad loans.

The ministry would like to begin discussions on the plan with Japan's largest banks this week, and include it in the fiscal package, Asahi said.

The government will also reportedly offer tax incentives to write off bad loans plaguing the banking industry with the collapse of the so-called bubble economy of the 1980s.

"The perception gap between the authorities and the market seems to have narrowed," said a broker at one of the Big Four Japanese brokerage houses.

Many analysts expect the market to hold on to the gains this week as speculation leading up Friday's announcement by the government encourages more investors to jump in.

To keep market losses in check, the government has been asking institutional investors not to dump large shareholdings before September's account settlements for the first half of the financial year.

Financial institutions often sell investment holdings just before account closings in order to record profits. Although the market has fallen to below half its peak value in late 1989, many institutions could still profit if they sold at current levels, analysts said.

The government is also thinking of splitting stock of Nippon Telegraph & Telephone Corp. at a 5-to-1 ratio to encourage small investors to buy the high-priced stock, the Kyodo News Service said.

A split would lower the stock's par value from 50,000 yen ($392.62) to 10,000 yen. NTT's market price was 555,000 yen at the close Friday.

The government has also decided to scrap a plan to sell later in the year 500,000 shares of the beleaguered stock, which has steadily dropped in value since its record high of 3.18 million yen in 1987.

In addition to reviving the financial industry, the government is likely to reserve a large chunk of the expected 8 trillion yen ($63.4 billion) stimulus package to boost the "real economy," reports said.

The Nihon Keizai Shimbun, Japan's leading business daily, said the package would include an increase in public-works projects, an expansion of government loans to small and medium-sized businesses, tax incentives to encourage corporate capital spending and an expansion of foreign participation in government projects.

■ Financial Services Laws

A series of financial reform laws that passed Japan's Diet in June will be implemented next April, Bloomberg Business News quoted the Nihon Keizai newspaper as saying. The laws will allow banks and securities firms to enter into each others' businesses through subsidiaries.

In another report, the newspaper said Japan's 11 major commercial banks were expected to set aside loan-loss reserves of 1 trillion yen for the half-year period through

DOLLAR: *Verge of Crisis*

(Continued from page 1)

dollar while the U.S. economic recovery is fragile at best; the Bundesbank is not about to lower its rates when its main domestic objectives are constraining the over-target growth in the German money supply and the high rate of inflation.

To be effective under these conditions, intervention has to catch the market off guard — after there has been a sufficient build-up of speculation so that traders are forced to buy back a currency they have sold short, reversing their bets that it would keep falling.

Professionals insisted there were no significant dollar short positions last week or in the two previous interventions. Thus, they said they expected the banks to sit back and let the dollar continue to decline, possibly to 1.40 DM, then intervene and for larger amounts seen up to now.

"The mood of negativity is not high enough for intervention to scare people," Mr. O'Neill said.

Mr. Crane said he expected the dollar to "grind lower and test 1.40 DM. Assuming there's no new negative news that's a logical place for the dollar to stop and then bump along the bottom" waiting for signs that U.S. interest rates may be headed higher or German rates lower.

The potential spanner in this peaceful scenario is the tension building within the European Community's fixed exchange rate system. The British pound is the weakest link, trading within a pfenning of its permissible low.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Volume rose last week but there was little movement in prices on an exchange concerned about the weakening dollar. The CBS all-share index closed at 196.40 on Friday, unchanged from a week earlier.

Cyclical stocks took a beating because of poor results for the first half, but blue chips like Royal Dutch, Wolters Kluwer, Elsevier and Akzo Chemicals were untouched by the concerns gripping most European markets.

Frankfurt

Prices weakened across the board. The DAX index shed 27.78 points during the week, to close at 1,520.02 on Friday, while the Commerzbank index lost 41.9 points to close at 1,690.20. Turnover declined.

In the chemicals sector, BASF lost 2.30 DM and Bayer fell 1.10; Hoechst, however, rose 1.90.

Among industrials, Daimler lost 16.50, Mannesmann was down 41 and Siemens gained 11.30. Autos and banks weakened.

Hong Kong

The market took a beating in volatile trading. The Hang Seng Index lost 281.54 points, or 4.81 percent during the week, to close at 5,569.39 on Friday. Volume increased.

The market opened weak Monday because of heightened tensions in the Gulf, and posted its biggest daily fall so far this year, of more than 150 points.

Uncertainty over U.S.-China trade relations and China's reluctance to approve funding plans for Hong Kong's new airport saw the Hang Seng lose further ground.

London

Share prices edged up slightly for the second week in a row, helping to reverse three months of near-constant falls.

The Financial Times-Stock Exchange index of 100 leading shares gained 8.9 points, or 0.4 percent, during the week, to close at 2,365.7 on Friday. The FT-30 index closed 1.6 points higher, at 1,755.5.

Some analysts said the market was ready for a rally after losing 400 points since May, but others advised caution in case France should vote against the Maastricht Treaty on Sept. 20. The plunge of the dollar also affected the market.

Wellcome, the pharmaceutical concern, gained 4.4 percent to 822 pence after investors were reassured that the price had held after a big slice of equity was marketed.

Milan

The market rebounded as the government unveiled proposals to get the economy on track. The MIB index gained 24 points, or 3.1 percent during the week, to close at 797 on Friday. Turnover fell.

Most blue chips finished the week higher. Fiat gained 3.63 percent, Generali put on 5.30 percent, Montedison was up 5.14 percent and Ferfin gained 8.02 percent.

COMIT soared 13.13 percent.

Paris

The Bourse was buffeted by uncertainty ahead of the Sept. 20 referendum on Maastricht. The CAC-40 index shed 9.28 points during the week to close at 1,744.18.

The index has gained 0.55 percent on the eve of the close of the traditionally slow August trading month, after losing 9 percent in July.

Trading was slow.

Singapore

Prices rose slightly as selective bargain-hunting for blue chips boosted sentiment. The Straits Times industrial index gained 9.36 points during the week, to close at 1,347.31 on Friday. The all-Singapore SES index rise 0.38 points, to 363.03.

Tokyo

Prices soared in a turbulent week. The Nikkei average reached the 16,000 level Friday after hitting a six-year low on Tuesday. The Nikkei closed out the week at 16,216.88, for a 1,396.63-point — 9.24 percent — weekly gain. The week before, it had fallen 698.02 points.

The composite Tokyo Stock Price Index rose 128.57 points during the week, to close at 1,251.70 on Friday. Volume increased slightly.

The Nikkei sank to 14,309.41 on Tuesday, its lowest mark in six years and five months, as the futures market broke through several key resistance points. Thereafter, the market rebounded in reaction to Finance Minister Tsutomu Hata's announcement of measures to shore up stocks.

Zurich

The weakening dollar helped drag down the market. The Swiss Performance Index shed 16.96 points during the week, to close at 1,102.90 on Friday.

Turnover was moderate.

Banks lost ground, with Banque Populaire Suisse down 60 francs and Banque Suisse down five.

Euromarts At a Glance

Eurobond Yields

	Aug. 19	Aug. 12
U.S. $, 8 yrs & over	6.92	6.96
U.S. $, 5 to 7 yrs	6.12	6.17
U.S. $, less than 5 yrs	5.34	5.39
Pounds sterling, less than 5 yrs	10.69	10.58
French francs, less than 5 yrs	9.94	9.97
Ital. lire, less than 5 yrs	13.69	13.65
Danish kroner, less than 5 yrs	10.58	10.49
ECU, 8 yrs & over	9.60	9.65
ECU, 5 to 7 yrs	9.74	9.74
Can. $, less than 5 yrs	6.57	6.70
Aus. $, less than 5 yrs	7.80	6.70
N.Z. $, less than 5 yrs	7.11	7.15
Yen, 5 to 7 yrs	5.25	5.25
Yen, less than 5 yrs	4.61	4.62

Source: Luxembourg Stock Exchange.

Weekly Sales — Aug. 20

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	364.30	231.70	1,753.30	786.60
Convert.	—	37.40	—	87.50
FRNs	157.30	341.10	1,140.60	208.90
ECP	5,964.40	1,587.10	10,806.70	2,730.00
Total	6,526.00	2,197.30	13,700.60	3,813.00

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	10,274.60	19,422.50	19,347.10	25,551.00
Convert.	161.80	547.60	721.60	1,045.90
FRNs	1,834.60	1,651.40	5,382.40	4,603.20
ECP	6,086.50	4,658.90	4,575.10	9,025.30
Total	18,357.50	26,280.40	30,026.20	40,225.40

Source: Euroclear, Cedel.

Libor Rates — Aug. 21

	1-month	3-month	6-month
U.S. $	3⅜	3 7/16	3½
Deutsche mark	9¾	9 15/16	9 15/16
Pound sterling	10⅛	10 5/16	10 7/16
French franc	10 3/16	10⅜	10 7/16
ECU	11	11	11
Yen	4⅛	3 15/16	3¾

Sources: Lloyds Bank, Reuters.

BONDS: *Bush and Dollar Stymie Rally in Treasuries*

(Continued from first finance page)

speech to the convention and the fortunes of the U.S. dollar, which tumbled to a record low against the Deutsche mark.

Analysts noted the foreign-exchange market was unnerved by the absence of a reserve-draining operation by the Fed, which was taken as a sign the central bank may have been easing its policy on short-term interest rates.

"But the blowout points the finger at George Bush's nomination speech," Mr. McTeague said. "The markets are getting ahead of the voters on this one."

The Fed faces an interest-rate dilemma that bodes ill for bonds no matter what the outcome. If it lowers short-term rates from their current weak levels, the central bank will add pressure to the dollar, making internationally minded investors less likely to want U.S. bonds. Higher interest rates, meanwhile, require higher yields and thus lower prices from the bond market.

This week, analysts said, in addition to the Treasury Department's regular weekly auction Monday, the market will focus on Tuesday's report from the Conference Board on consumer confidence in August.

In July, the index plunged to 61 from 72.6 in June. Forecasters are expecting confidence to rise slightly this month.

On the supply side, the Treasury plans to sell an estimated $15 billion in two-year notes Tuesday and $10.5 billion five-year notes on Wednesday. [The two-year notes were quoted at a yield of 4.09 percent in when-issued trading on Friday, Reuters reported, while the five-year paper traded at a yield of 5.48 percent.]

Also on Wednesday, the Commerce Department is to report on durable-goods orders for July. In June, orders increased 2.3 percent. Economists are expecting durables to rise about 0.3 percent.

On Thursday, the Commerce Department is to issue its revision of second-quarter gross domestic product. In an earlier estimate, the department saw the economy's output of goods and services expanding at a 1.4 percent yearly rate. Forecasters are expecting an upward revision to around 1.6 percent.

Reflecting the weakness in the market last week, Lehman Brothers' long-term bond index ended at 1,448.86, down from 1,453.03 a week earlier.

Among key government issues, the 10-year Treasury note fell 7/32 to 98 28/32, for a yield of 6.51 percent, up from 6.50 percent a week earlier.

The seven-year note slipped 2/32, to 101 26/32, to yield 6.04 percent, up from a 6.03 percent return the week before.

POUND: *Interest-Rate Rise Would Be a Bitter Pill*

(Continued from first finance page)

bring renewed calls for a hasty exit from the ERM, which will undermine the market's faith in the future value of the pound.

Having for months called devaluation "fool's gold," arguing that it would lead ultimately to higher interest rates, not lower, the government now could face a similar prospect with its defense of the currency, one in which some analysts say that every rise in interest rates only heightens the public outcry over ERM membership and thus increases the risks of a devaluation or yet another rise in interest rates.

■ Hobson's Choice on Rates

Representatives of British business said over the weekend that the government would likely be forced to raise interest rates, United Press International reported.

Peter Morgan, director-general of the Institute of Directors, said in a radio interview that he saw no good choice and only could complain that many businessmen opposed ERM membership from the beginning.

"We now have the choice of leaving the club, which we think would be even more damaging, or playing by the rules," Mr. Morgan said. "The rules appear to require us to put up interest rates."

Ronald Taylor, director-general of the British Chambers of Commerce, also conceded higher interest rates might be necessary. "We are part of a club. I don't think you can walk away and abandon it just because you have hit a spot of bother, albeit a very difficult and deep spot of bother," he said.

MUTUAL FUNDS

(Continued)

Fund	Bid	Ask
FedSc †	10.85	10.85
EmGr †	14.30	14.30
Glbln †	9.45	9.45
Grwth p	13.56	14.39
HiInc †	8.15	8.15
HiYld p	9.63	10.11
TE Insp	12.50	13.12
TotRt p	13.83	14.67
Gvln p	10.05	10.55
USGv †	8.89	8.89
TNE Funds:		
AdjUS	7.50	7.73
Balan p	10.57	11.21
BdInc p	12.34	12.92
GlobG p	12.65	13.25
GrOp p	12.03	12.76
GvSc p	11.97	12.53
Gwth p	9.71	10.39
HiInc p	9.61	10.06
IntEq	11.87	12.59
MasT p	16.73	17.47
Princ p	12.77	13.16
RetEq p	7.07	7.50
TxEx p	7.65	8.01
TRAK Funds:		
IntrFx	8.30	NL
IntlEq	7.50	NL
IntlFx	8.42	NL
LgGrw	8.85	NL
LgVal	8.77	NL
MtgBkd	8.22	NL
Muni	8.27	NL
SmGrw	8.01	NL
SmVal	8.72	NL
THRtn	8.32	NL
Templeton Group:		
AmerTr	11.31	11.31
CapAcc	10.86	10.86
DevMkt	9.62	10.21
Forgn	21.58	25.02
GlbOp	11.21	11.89
Grwth	15.70	16.66
Incom	10.70	11.30
RlEst	10.29	11.02
SmalCo	7.68	8.15
Value	10.06	10.67
World	14.35	15.23
ThirdAve	13.33	14.14
Thomson Group:		
EqInA	10.57	11.19
GlblA	9.99	10.57
GwthA	20.05	21.22
IncoA	8.69	9.12
OporA	18.84	19.94
PrcMtA	7.43	7.86
ShIGvA	10.80	10.31
TExA	11.97	12.57
USGvA	9.64	10.12
EqInB	10.55	10.55
GlblB †	9.89	9.89
GwthB †	19.94	19.94
IncoB †	8.46	8.46
OporB †	18.42	18.42
PrcMtB	7.33	7.33
ShIGvB	10.00	10.00
TExB †	11.96	11.96
USGvB †	9.62	9.62
Thornburg Fds:		
IntMu	12.56	13.02
LtdCal	12.60	12.96
LtdGv p	12.71	13.00
LtMu p	13.20	13.57
NM Int	12.65	13.11
Tower Funds:		
CapAp	14.04	14.70
LA Mun	10.98	11.50
US Gv	10.85	11.36
Transamerica:		
CATFA p	10.55	11.08
CapAp p	10.35	10.87
EmGA p	18.83	19.77
GvInc p	8.55	8.77
GrInA p	12.43	13.05
GvSec p	8.50	8.92
InvQ p	9.43	9.90
TFBd A	10.66	11.19
TransamericaSpcl:		
BlChp †	11.23	11.23
EmGB †	18.63	18.63
GvInc †	10.10	10.10
GrInB †	12.44	12.44
HYTF †	9.61	9.61
HIYld †	7.66	7.66
NatRs †	12.15	12.15
Trinity:		
Bond p	10.91	10.91
Equity p	12.34	12.34
ST Bd p	10.32	10.32
TCU Gv	10.03	10.03
20th Century:		
BalInv	14.98	NL
Gift	11.94	NL
Grwth	22.46	NL
HerInv	8.85	NL
IntlEq	6.03	NL
LTBnd	100.89	NL
Select	38.45	NL
TxEIn	103.74	NL
TxELT	106.39	NL
Ultra	14.39	NL
USGv	96.85	NL
Vista	10.19	NL
USAA Group:		
AgvGt	19.14	NL
Balan	11.92	NL
CA Bd	10.53	NL
Cornst	19.50	NL
GNMA	10.47	NL
Gold	6.29	NL
Grwth	17.14	NL
IncStk	13.56	NL
Inco	12.76	NL
Intl	12.08	NL
NYBd	11.34	NL
TxELT	14.06	NL
TxEIt	12.64	NL
TxESh	10.58	NL
VA Bd	10.94	NL
USF&G Funds:		
AxeB p	9.46	10.04
AxeGr p	6.27	6.65
AxeInc p	5.30	5.56
EurE p	10.24	10.86
OTC S p	16.68	17.70
UST Master:		
Equity	16.40	17.17
IncGro	9.56	10.01
Intl	8.19	8.58
IntTE	9.19	9.42
LT TE	9.64	10.09
MedIn	9.38	9.82
NY TE	8.48	8.88
Unified Mgmt:		
Gwth	12.48	NL
Indian	9.23	NL
Mutl	17.97	NL
Union Inv:		
Balan	11.89	NL
GrEq	11.70	NL
IntBd	10.87	NL
VWom	11.86	NL
United Funds:		
Accm	7.30	7.98
Bond	6.40	6.99
Con Inc	19.23	21.02
GldGv	6.27	6.85
GvtSc	5.35	5.59
HiIncII	4.05	4.43
Hi Inc	8.98	9.81
Incom	20.78	22.71
IntGth	6.83	7.46
Muni	7.44	7.77
MunHi	5.25	5.48
NCcpt	8.77	9.58
Retire	7.33	8.01
ScEng	13.03	14.24
Vang	5.93	6.48
Utd Services:		
AllAm	19.09	NL
Euro	4.57	NL
GlbRs	5.58	NL
GldShr	1.92	NL
Grwth	5.59	NL
Inco	13.12	NL
RlEst	9.82	NL
US TF	11.87	NL
WldGld	9.55	NL
USBosF	7.72	7.72
USBosG	16.21	16.21
ValFrg	9.12	NL
Value LineFd:		
Aggrin	7.37	NL
Conv	12.47	NL
Fund	18.46	NL
Incom	7.61	NL
Lev Gt	22.29	NL
NY TE	10.44	NL
Sel Sit	13.46	NL
TaxEx	10.90	NL
US Gvt	12.07	NL
Van Eck:		
GldRs p	3.75	4.02
IntInv	9.45	10.33
STWdC p	10.40	10.40
Wldln p	10.70	11.23
WldTr p	13.81	14.45
VanKampen Mer:		
CATF p	16.87	17.74
Gwth p	19.49	20.49
HiYld p	10.03	10.55
IATF p	19.21	20.20
Munin	15.58	16.38
PA TF	16.93	17.80
ST GIA	9.57	9.87
ST GIB	9.57	9.57
TxFH p	14.96	15.73
USGv p	15.98	16.80
Vance Exchange:		
CapE	152.59	NL
DBst	82.16	NL
Divrs	158.13	NL
EBos	190.36	NL
ExFd	230.36	NL
FdEx	140.38	NL
ScFld	114.75	NL
Vanguard Group:		
AssetA	13.46	NL
BdMkt	10.07	NL
Convrt	10.85	NL
EqInc	12.94	NL
Explr	38.15	NL
Morg	11.90	NL
Prmcp	14.30	NL
V Pref	9.38	NL
Quant	15.93	NL
STAR	12.47	NL
TC Int	25.40	NL
TCUsu	27.21	NL
GNMA	10.51	NL
HYCorp	7.56	NL
IGCorp	9.12	NL
STCorp	11.11	NL
STFed	10.47	NL
ST Tr	10.42	NL
IT Tr	10.70	NL
LT Tr	10.45	NL
Idx 500	39.36	NL
IdxExt	15.70	NL
IdxTot	10.24	NL
IdxEur	10.12	NL
IdxPac	7.31	NL
IdxInst	39.99	NL
SmCap	12.50	NL
MuHY	10.78	NL
MuInt	12.90	NL
MunLd	10.67	NL
MuLg	10.98	NL
MuLtd	12.26	NL
MuSht	15.67	NL
Cal Ins	10.86	NL
NJIns	11.17	NL
NYIns	10.46	NL
OhioIn	11.05	NL
PennIn	10.93	NL
VSPE r	13.49	NL
VSPG r	8.41	NL
VSPH r	34.15	NL
VSPS r	19.36	NL
VSPT r	14.80	NL
VSPU	10.81	NL
Wellsl	18.65	NL
Welltn	19.19	NL
Wndsr	12.32	NL
Wnds II	15.54	NL
Wldlnt	9.87	NL
WldUS	14.71	NL
Venture Advisers:		
IncPl	4.99	5.24
Muni I	9.48	9.48
NY Ven	10.52	11.04
RPFB †	6.72	6.72
RPFE †	23.73	23.73
Vista Funds:		
CapGr	23.61	24.72
GvInc	11.95	12.51
GrInc	25.83	27.05
NY TF	11.52	12.06
TF Inc	11.76	12.31
Volumet	14.85	NL
Voyageur Fds:		
AZIns	10.61	11.14
CO TF	10.52	10.95
GrSt p	17.68	18.76
MNIns	10.29	10.80
MNInt	10.84	11.15
MNTF	12.27	12.88
US Gv	10.78	11.32
WallSt	6.84	7.13
Warburg Pincus:		
CapAp	12.74	NL
EGth	17.04	NL
FlxInc	10.05	NL
GblFxd	10.79	NL
IntEqu	12.30	NL
IntGvt	11.36	NL
NYMu	10.16	NL
Weiss PeckGreer:		
Tudor	22.20	NL
Govt	10.49	NL
Gwth	114.33	NL
GrInc	24.36	NL
Westcore:		
BalInv	18.24	19.10
BasVl	21.79	22.82
BdPlu	14.15	14.91
Eq Inc	10.88	11.39
IntBd	10.51	11.01
LT Bd	11.16	11.69
Midco	13.82	14.47
ModVl	12.89	13.50
OR TE	14.42	17.19
ST Bd	14.08	14.35
Westwood Funds:		
BalInst	10.38	10.81
BalCon	unavail	
EqInst	13.98	14.56
EqCon	unavail	
IntBdI	10.57	11.01
IntBdC	unavail	
WmBlGr	9.17	NL
WmBlln	10.99	NL
William Penn:		
PennS p	10.41	10.93
PATF	10.93	11.48
US Gov	10.59	11.12
Wood Struthers:		
WinFI †	10.54	10.54
WinG †	11.02	11.02
WinGI †	12.37	12.37
WinAG †	13.28	13.28
Woodward Fds:		
Bond	10.47	10.96
GrVal	10.00	10.47
IntBd	10.58	11.07
Intms	10.43	10.93
Opport	11.04	11.56
World Funds:		
NwpTig	12.94	13.62
VontEP	12.25	12.89
VontIV	11.84	12.46
Wright Funds:		
CurIn	10.90	NL
GvOb	13.20	NL
InBlCh	11.16	NL
JrBlCh	13.59	NL
NearB	10.86	NL
QulCor	14.50	NL
SlBlCh	16.46	NL
TotRet	12.82	NL
YamGlb	7.40	7.77
Zweig Funds:		
StratA	12.49	13.22
ZS AppA	11.99	12.69
ZS GvA p	10.14	10.65
ZS P A p	11.80	12.49
StratB	12.49	12.49
ZS AppB	11.95	11.95
ZS GvB	10.13	10.13
ZS P B	11.80	11.80

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Aug. 21.

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd	.44	1.2	1503	37¾	36	37	
ABS	.32	2.4	240	14¼	13½	13½	— ½
ACC Cp	.16	1.1	773	16½	15	15	—1¼
ADC			1598	36¾	33¾	35¾	+2¾
ADESA			1031	7¾	7¼	7¾	+ ½
AEL			366	6½	5¾	6½	+ ¼
AEP			101	12	11¼	11¾	— ½
AESCp	.40e	2.0	4398	22½	19½	20¼	—2
AGCO			9942	7¾	6½	6¾	— ¾
ARI Net			127	4¼	3¾	3¾	
ASK			1991	14¼	13¾	13½	— ½
AST			19628	13¾	12¼	12½	— ¾
ATS Med			660	6½	5¾	6½	
AW A h			2149	4¾	3	3	—1¾
Aames	.03e	.3	429	9¼	8½	8½	+ ¼
AamRt	.10	.6	109	15¾	15¾	15¾	+ ¼
[illegible]							

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Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Aug. 21	Aug. 14	Ch'ge
DJ Indus.	3,254.10	3,328.67	—2.24 %
DJ Util.	220.77	219.33	+ 0.66 %
DJ Trans.	1,237.55	1,257.28	— 1.57 %
S & P 100	384.24	392.44	— 2.09 %
S & P 500	414.85	419.91	— 1.18 %
S & P Ind	486.45	492.80	— 1.29 %
NYSE Cp	228.61	231.06	— 1.06 %
Britain			
FTSE 100	2,365.70	2,356.80	+ 0.38 %
FT 30	1,755.40	1,753.80	+ 0.09 %
Japan			
Nikkei 225	16,217.	14,820.	+ 9.43 %
Germany			
DAX	1,520.02	1,547.80	— 1.79 %
Hong Kong			
Hang Seng	5,509.39	5,802.59	— 5.38 %
World			
MSCIP	485.50	479.80	+ 1.19 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Aug. 21	Aug. 14
Discount rate	3.00	3.00
Prime rate	6.00	6.00
Federal funds rate	3⅛	3¼
Japan		
Discount	3¼	3¼
Call money	4⅝	4 1/16
3-month interbank	3 13/16	3⅞
Germany		
Lombard	9¾	9¾
Call money	9¾	9.80
3-month interbank	9.90	9.85
Britain		
Bank base rate	10.00	10.00
Call money	10 1/16	9⅝
3-month interbank	10 7/16	10¼

Gold	Aug. 21	Aug. 14	Ch'ge
London p.m. fix $	336.90	335.70	+ 0.36 %

(Continued on next page)

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MONDAY SPORTS BASEBALL

Vincent Takes Stand In the Baseball War

By Claire Smith
New York Times Service

NEW YORK — It will probably never be clear which side fired the first shot in what is now clearly the Baseball War of 1992. But guaranteed, that first shot was a mini-ball compared with the howitzer shots being lobbed back and forth between some major league owners and Commissioner Fay Vincent.

That there has been an escalation became very clear Saturday, when a radio report disclosed that Vincent was more than secluded at his vacation retreat on Cape Cod last week.

The commissioner was crafting an offense, it turns out, one he considered necessary to let anyone who needed reminding know that he will, indeed, fight to keep his job.

The proof of the fight was in the fax, 28 of them, in fact, sent Thursday to major league owners by Vincent. According to one of the owners on the receiving end, Vincent rejected a call put forth by the league presidents on behalf of "concerned" owners that he call a meeting so the owners could ostensibly discuss his dismissal.

Vincent, undoubtedly standing firm on underpinnings put into his office by Judge Kenesaw Mountain Landis, the first commissioner, firmly believes Landis meant it when he built in language designed to protect commissioners from owners with agendas by making it impossible for owners to shorten a commissioner's term or fire him under any circumstance.

Language to that effect is found in the Major League Agreement, baseball management's constitution, if you will.

In order to prove Vincent wrong on an interpretation federal courts have upheld, owners will undoubtedly have to take him on in court and find a way to win. In essence, Vincent has now said to them, do what you have to do, and surely I will, too, all the way to the Supreme Court, if necessary.

To reinforce that notion, he also informed the owners by way of the fax that he has hired Brendan V. Sullivan Jr., a high-powered trial lawyer who once represented Oliver North.

Perhaps a court battle for this commissioner, on behalf of the next and the next, is inevitable now. The powers of the office have already been challenged on a narrower level.

When Vincent invoked his "best interests of baseball" powers to order realignment of the National League, the Chicago Cubs sued. And Vincent seems to be on a collision course not only with the Cubs but the Atlanta Braves, over Vincent's siding with members of Congress who would like to limit the reach of television superstations.

Tribune Co., owner of WGN and the Chicago Cubs, and Turner Broadcasting, which has WTBS and the Atlanta Braves, may well wage war on behalf of ratings and the bottom line. Vincent, though increasingly disenchanted with the job and the way varying factors tug at him to serve their special interests at specific times, is obviously ready to wage battle, too.

Not only for his reputation, which has been battered and bruised considerably this summer, but for the office he holds.

He believes that Landis crafted what he did for a reason and that it is the duty of a commissioner to hand over the office to his successor in the same form in which it was given him.

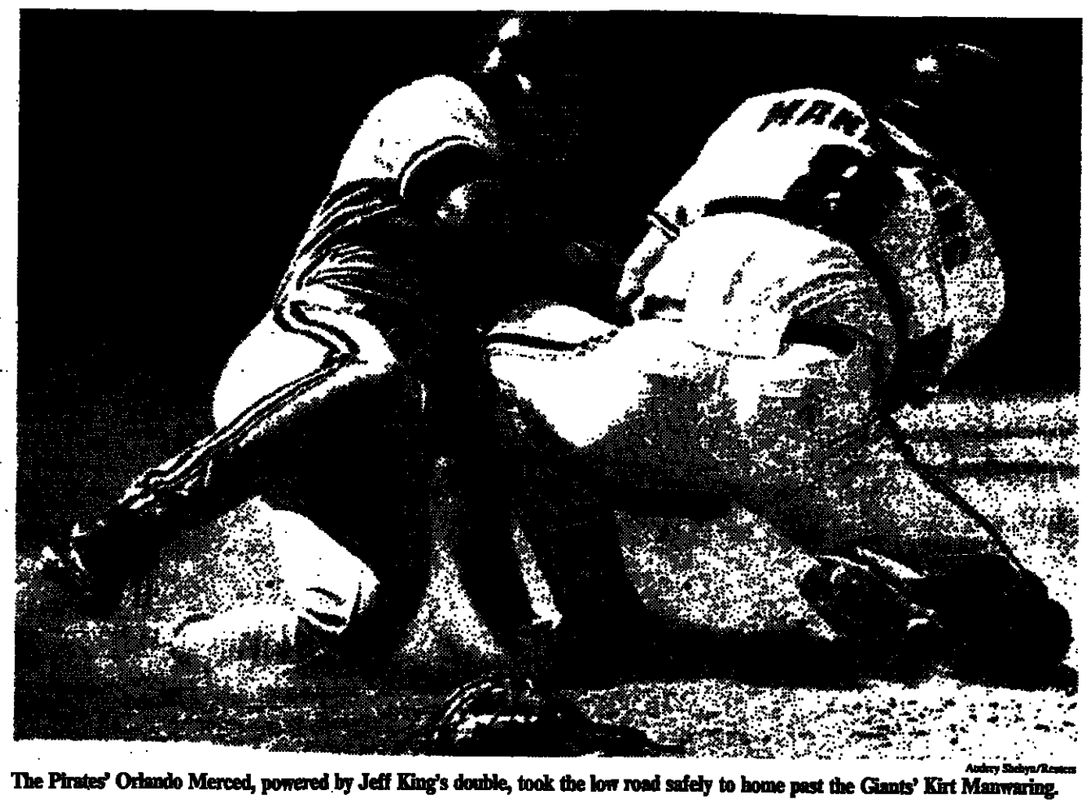
VINCENT HAS ACKNOWLEDGED mistakes in the past, such as the timing on his questioning of Yankees officials in the Steve Howe drug suspension case.

He also is now reportedly extending an olive branch to those owners he thinks are alienated from him and seeking his ouster. But he is not contrite or convinced that he has erred or misread the desires of the greatest number of owners. So he fights, for himself, for the office.

His latest stance likely will accomplish one of two things. It will either cause the other side, the approximately 11 owners who oppose him, to call for the "vote," if you will, no matter what Vincent says. Or it will cause them to realize that, in spite of recent signs that might have misleadingly indicated otherwise, Vincent will not go quietly.

Baseball officials, from Vincent to the most neutral owner, must now factor in such a war of attrition and ask if it's what they really want. One war-weary owner suggests not. "If we keep fighting, we will destroy the fabric of this great industry," he said. Peace, he said, must be made.

The problem is how. Someone had better figure that out unless this truly and tragically does become a fight to the finish.



Audrey Sholyn/Reuters

The Pirates' Orlando Merced, powered by Jeff King's double, took the low road safely to home past the Giants' Kirt Manwaring.

Erickson and Twins Shut Down Jays, 2-0

The Associated Press

Scott Erickson pitched a four-hitter and outdueled Jimmy Key as the Twins beat Toronto, 2-0, on Sunday in Minneapolis. It was the fourth loss in five games for the AL East-leading Blue Jays.

Erickson stopped his three-game losing streak with his third shutout of the season, striking out four and walking two.

He gave up singles in the second inning to

AMERICAN LEAGUE

John Olerud and Kelly Gruber, and did not allow another hit until the eighth. Key allowed four hits in seven innings.

Lenny Webster broke a scoreless tie in the fifth inning with his first home run since last Sept. 9.

The Twins scored their second run in the sixth on an RBI double by Chili Davis.

Athletics 7, Orioles 3: In Baltimore, Jose Canseco drove in four runs and Dennis Eckersley reached 40 saves for the third straight season as Oakland sent the Orioles to their fifth loss in seven games.

Mike Moore pitched five-hit ball for 8⅓ innings and Harold Baines homered for the A's, who took two of three from the Orioles and have won 10 of their last 11 in Baltimore. It was Oakland's 38th road victory, one more than all of last year.

Moore struck out four and walked three as he beat Baltimore for the third time this year. David Segui's RBI single chased Moore and Brady Anderson hit an RBI single off Vince Horsman before Eckersley relieved.

Mark McGwire, whose 38 homers leads the majors, was put on the 15-day DL, retroactive to Saturday, with a strained right rib cage.

Mariners 9, Red Sox 3: In Boston, Kevin Mitchell had three hits and drove in four runs as Seattle defeated Boston and stopped Roger Clemens's five-game winning streak.

Mitchell snapped a 3-3 tie in the fifth with a two-run homer following a walk to Ken Griffey Jr. It was Mitchell's ninth homer of the season.

In games played Saturday:

Blue Jays 4, Twins 2: In Minneapolis, Jack Morris shut down the team he carried to the World Series title last season, allowing seven hits over seven innings to lead Toronto over Minnesota.

Pat Borders doubled twice and singled as the Jays stopped a three-game losing streak.

Indians 6, Rangers 1: In Cleveland, Jack Armstrong returned to the Indians' starting rotation for the first time in a month and pitched five hitless innings to help defeat Texas.

Paul Sorrento homered, doubled and singled for the Indians, winners of a season-high five straight and nine of 12.

Red Sox 10, Mariners 8: In Boston, Tom Brunansky greeted reliever Russ Swan with a two-run homer in the eighth to lift Boston over Seattle. With one out, Shawn Barton gave up a single to Bob Zupcic. Brunansky then hit Swan's 1-0 pitch over the left-field wall for his 13th homer of the year.

Athletics 5, Orioles 3: In Baltimore, Oakland took a 3-0 lead in the first off Richie Lewis.

After Rickey Henderson walked and Jerry Browne singled, Jose Canseco grounded an RBI double into the left-field corner. Harold Baines followed with a run-scoring groundout and Terry Steinbach hit a sacrifice fly.

Yankees 3, Angels 0: In New York, Melido Perez pitched eight strong innings before leaving with a muscle strain, and Charlie Hayes and Pat Kelly hit home runs off Chuck Finley as the Yankees ended California's three-game winning streak.

Brewers 5, Tigers 1: In Milwaukee, rookie Pat Listach went 4-for-4, stole two bases and scored twice as Milwaukee won its fourth straight. Cal Eldred extended his scoreless streak to 22 innings and combined with two relievers on a five-hitter.

White Sox 3, Royals 2: In Chicago, Steve Sax hit a two-run homer in a three-run fifth inning. Dale Sveum doubled to open the inning and scored ahead of Sax's third homer of the season, his first since July 6. Tim Raines then doubled and scored on a single by Frank Thomas. MacFarlane hit his 13th homer in the sixth.

Rijo and the Reds Outlast Expos, 1-0

The Associated Press

Jose Rijo pitched five-hit ball for seven innings on Sunday in Montreal, getting help from an unearned run, as the Cincinnati Reds beat the Montreal Expos, 1-0, and stopped a four-game losing streak.

Rijo struck out eight, walked none and allowed only one runner to reach second as he won for only the second time in five starts this

NATIONAL LEAGUE

month. Rob Dibble finished with perfect relief for his 16th save in 20 chances, striking out four.

Ken Hill gave up seven hits in eight innings, struck out six and walked two as Montreal lost for the only the fifth time in 14 games.

Cincinnati, 9-12 this month, scored the only run in the second. Paul O'Neill reached on a throwing error by first baseman Jerry Willard, took third on Bill Doran's single and came home when a grounder by Darnell Coles handcuffed Willard at first. If Willard had come up cleanly, he probably could have thrown out O'Neill at home, but instead Willard had only a play at first.

The Expos' biggest threat was in the fourth, when they advanced runners to first and second with one out. But Willard flied out and John Vander Wal struck out.

Astros 3, Phillies 1: In Philadelphia, the Astros picked up their first three-game sweep at Veterans Stadium since May 1982 and finished their 26-game road swing in style.

Jimmy Jones pitched six strong innings and Doug Jones wrapped it up with his 28th save. Curt Schilling lost despite allowing just four hits, only one of them after the first inning.

Craig Biggio opened the game with a walk and Steve Finley singled, setting up RBI singles by Luis Gonzalez and Jeff Bagwell. Schilling retired the next 15 batters.

John Kruk hit his ninth home run with two outs in the Phillies' first. The Astros added a run in the eighth, helped by shortstop Juan Bell's error.

In games played Saturday:

Braves 3, Cardinals 2: In Atlanta, Pete Smith pitched a four-hitter for his third straight victory since being recalled from the minors last month as the Braves edged St. Louis.

Smith struck out six and walked two in his first complete game since May 26, 1990. It was his 10th career complete game.

Bothered by arm problems in 1990 and 1991, Smith was recalled from Triple-A Richmond on July 31 to fill the fifth starter role after Mike Bielecki hurt his arm and was sidelined for the season. Smith has a 2.05 ERA in five games, four of them starts.

David Justice hit a two-run homer in the seventh inning off Mark Clark, rallying the Braves from a 2-1 deficit.

Pirates 9, Giants 2: In San Francisco, Barry Bonds, Jay Bell and Mike LaValliere each hit two-run homers to back Doug Drabek's strong pitching over eight innings as Pittsburgh beat San Francisco.

It was the first win in five tries at Candlestick Park this season for the National League East-leading Pirates, who hit the 70-win mark. Their 17th victory in 22 games put them 17 games above .500.

Pittsburgh chased starter Francisco Oliveras during a four-run third, when the Pirates sent nine batters to the plate, hit two homers and increased their lead to 6-1.

Expos 3, Reds 1: In Montreal, Marquis Grissom homered and also stole home on a botched squeeze play as Montreal sent Cincinnati to its fourth straight loss.

The Reds dropped seven games behind first-place Atlanta in the NL West, the Reds' largest deficit of the season.

Astros 14, Phillies 9: In Philadelphia, Jeff Bagwell hit a two-run triple and Pete Incaviglia hit a two-run homer in a six-run seventh. The Astros, who had a season-high 18 hits in all, are 11-14 on their 26-game road swing.

With Philadelphia leading, 7-5, Bagwell tripled in two runs off Mike Hartley and scored on Eric Anthony's single off Kyle Abbott for an 8-7 lead. Incaviglia added his 10th homer.

Padres 4, Mets 2: In San Diego, Gary Sheffield homered twice, Bruce Hurst defeated the Mets for the fourth time this season and Benito Santiago hit a go-ahead homer in the seventh.

Sheffield has 27 homers, tied with teammate Fred McGriff for the NL lead. Sheffield also is tied for the RBI lead at 87 with Philadelphia's Darren Daulton and leads the league in hitting at .339.

Cubs 5, Dodgers 4: In Los Angeles, Kevin Gross lost his bid for another no-hitter early and reliever John Candelaria lost the game late when Doug Dascenzo and Jose Vizcaino hit run-scoring singles in the ninth inning.

Gross, who no-hit San Francisco last Monday night, pitched six-hit ball for eight innings and left with a 4-3 lead.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Aug. 21.
(Continued)

TO OUR REA
IN GERMA

MONDAY SPORTS RUGBY

Rugby Crowd Is Quiet As South Africa Loses

By Bill Keller
New York Times Service

CAPE TOWN — If black and white leaders resume their talks on South Africa's political future any time soon, it may be in some part because a restive crowd of 44,000 rugby fans managed to keep almost quiet for 17 seconds.

One week after white rugby enthusiasts in Johannesburg interrupted a silent tribute to victims of violence by bursting lustily into the national anthem of the apartheid era, spectators here held their tongues, more or less, averting a poisonous new round of racial recriminations just as political leaders were trying to find their way back to the bargaining table.

The African National Congress had warned that if white fans repeated the outburst at Saturday's match against Australia, it would demand that the country be banished again from international competition in what is generally regarded as the national sport of white South Africans.

President Frederik W. de Klerk, who attended the match at Newlands Stadium, had issued a public appeal for a respectful silence, stressing the dangerous power of symbols in this period of political standoff.

The silence Saturday was in part the result of manipulation by rugby officials, who drowned out an attempt to get the anthem going by loudly broadcasting a beer jingle.

It was also in part the product of fear: Many Afrikaners worried that a show of defiance, carried out before an audience of amateur anthropologists eager to judge them unfit for civilization, would cost them their most beloved sport.

And the locale was fortunate because Cape Town, although heavily Afrikaner, prides itself on being more cosmopolitan than other provinces.

The general success of the tribute generated a wave of relief, but it went unrewarded on the playing field, where the Springboks suffered one of their worst defeats in history, 26-3, to the World Cup champion Australians.

[Paul Carozza scored two tries for Australia, The Associated Press reported, in what was only the second rugby union test match for the Springboks in 11 years. The Wallabies earned their biggest margin of victory over South Africa, eclipsing a 21-6 victory in 1933.

[Although the Springboks, with a swirling wind at their backs, held the Wallabies to a first-half try and penalty and trailed only 8-3 at halftime, the Australians used their vast experience to tighten their control and clinched the match with two late tries.]

At the outset, the stadium appeared to have the makings of a patriotic revival meeting. Three busloads of right-wing militants arrived from the Afrikaner Resistance Movement and distributed leaflets urging fans to sing the anthem: "Stand up and be counted. Your freedom depends on it."

Many hundreds of South African flags fluttered defiantly in the stands, directed less at the visiting Australians than at the African National Congress, which wants to abolish national symbols left over from the apartheid era. Rugby fans said the blossoming of flags was a new phenomenon, a show of solidarity before the impending prospect of black rule.

"We don't know how long we're still going to have this flag," said Sanelle de Villiers, a 21-year-old accounting student who sold flags from the back of a red pickup.

De Villiers said she planned to observe the silent tribute but would sing the anthem if the opportunity arose. "We don't want any trouble," she said. "We just feel it's better to sort of all stand together kind of thing."

There was little sign of penitence or conciliation in the parking lot where fans began assembling early for pregame breakfasts, barbecues and vast quantities of the favorite cocktail of macho Afrikaners, brandy and Coke.

Around the tailgate picnics, there was loud bitterness at the African National Congress for disparaging the national symbols and at rugby officials who agreed under pressure to forgo the anthem and observe the silent tribute.

Though the silence was framed as honoring "all the victims of violence in South Africa," some whites said it was intended to make whites feel guilty for killings in black townships.

"The violence is in the townships," said a Cape Town factory manager. "I don't feel any pain for the violence. I'm not in the townships. They're in the townships."

The call for silence came about 10 minutes before the kickoff. What followed was less a silence than an absence of organized noise. After 17 seconds the loudspeakers filled the stadium with a loud jingle for Lion Lager and a dancing team of majorettes poured onto the field.



Star wing David Campese found some running room against South Africa and sprinted ahead to score a try for Australia.

Staging Encore, Thunder Rumble Wins the Travers

By Joseph Durso
New York Times Service

SARATOGA SPRINGS, New York — Thunder Rumble, who won a smashing upset here three weeks ago when he took the Jim Dandy Stakes, delivered an encore when he won the $1 million Travers Stakes by 4¼ lengths over Devil His Due and shot to the head of the class of 3-year-old colts.

Dance Floor finished third, and Dixie Brass was fourth in the race on Saturday.

The race, known as "the midsummer Kentucky Derby" and the oldest race for 3-year-olds in the United States, was run on a drying and fast track before a crowd of 50,000. Its past winners include such superstars as Man o'War, Whirlaway, Native Dancer, Alydar, Sword Dancer, Damascus and Easy Goer.

None of the horses who won any of the Triple Crown races was entered; instead, a new group of favorites went to the post en route to the Breeders' Cup championships in two months.

The Kentucky Derby winner, Lil E. Tee, was injured; the Preakness winner, Pine Bluff, was retired, and the Belmont Stakes winner, A. P. Indy, was home in California mending a bruised hoof.

In their place came a herd of relatively fresh horses, primed for the second half of the racing year, which is usually launched at Saratoga with its 30 stakes.

The most prominent member of the new cast was the Canadian star Alydeed, who ran a powerful second in the Preakness. Despite being the 8-5 favorite, Alydeed finished eighth.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	71	52	.577	—
Baltimore	68	55	.553	3
Milwaukee	67	55	.549	3½
Cleveland	58	65	.472	13
Detroit	58	66	.468	13½
Boston	56	67	.455	15
New York	56	67	.455	15
West Division				
Oakland	74	49	.602	—
Minnesota	68	55	.553	6
Chicago	64	57	.529	9
Texas	60	66	.476	15½
Kansas City	56	66	.459	17½
California	54	68	.482	18½
Seattle	50	74	.403	24½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	70	53	.569	—
Montreal	67	56	.545	3
Chicago	61	61	.500	8½
St. Louis	58	63	.479	11
New York	53	66	.445	15
Philadelphia	51	70	.421	18
West Division				
Atlanta	74	47	.612	—
Cincinnati	67	54	.554	7
San Diego	65	57	.533	9½
San Francisco	58	65	.472	17
Houston	55	68	.447	20
Los Angeles	52	71	.423	23

Friday's Line Scores

AMERICAN LEAGUE

Seattle 002 003 000—5 12 0
Boston 000 000 002—2 5 1
Johnson, Barton (8), Nelson (9) and Valle; Viola, Harris (6), Fossas (8), Quantrill (9) and Pena. W—Johnson, 10-12. L—Viola, 10-10. HR—Boston, Wedge (1).

Toronto 000 000 010—1 7 1
Minnesota 101 200 00x—3 7 0
Stottlemyre, Weathers (4), Timlin (7) and Borders; Smiley, Willis (9) and Harper. W—Smiley, 13-6. L—Stottlemyre, 7-9. HRs—Toronto, Alomar (7). Minnesota, Hrbek (13).

Detroit 100 010 000—2 7 0
Milwaukee 020 100 00x—3 10 1
Doherty, Knudsen (7) and Tettleton; Navarro, Henry (9) and Surhoff. W—Navarro, 14-8. L—Doherty, 4-3. Sv—Henry (24). HRs—Detroit, Fryman (18).

Texas 200 011 101—6 10 1
Cleveland 200 041 00x—8 12 0
Ryan, Bohanon (5), Whiteside (5), Nunez (7), Rogers (8) and Rodriguez; Cook, Power (7), Lilliquist (8), Olin (8) and Ortiz. W—Cook, 5-5. L—Ryan, 5-7. Sv—Olin (22). HRs—Texas, Sierra (13), Gonzalez (32), Palmer (21). Cleveland, Belle (24).

Oakland 001 010 000—2 9 1
Baltimore 110 010 10x—4 5 0
Downs, Corsi (5), Raczka (8) and Steinbach; Mussina, Frohwirth (7), Mills (8) and Holles. W—Mussina, 12-5. L—Downs, 3-4. Sv—Mills (2). HRs—Oakland, Lansford (6). Baltimore, Anderson (16), Gomez (16).

California 120 200 002—5 14 0
New York 000 140 000—5 11 0
Valera, Butcher (5), Fortugno (7) and Fitzgerald; Hillegas, Cadaret (4), Burke (9) and Leyritz. W—Butcher, 1-8. L—Hillegas, 1-8. Sv—Fortugno (1). HR—New York, Mattingly (11).

Kansas City 001 002 010—4 8 1
Chicago 001 020 000—3 7 2
Aquino, Magnante (6), Meacham (7), Montgomery (9) and Macfarlane; McCaskill, Hernandez (8) and Fisk. W—Meacham, 8-3. L—McCaskill, 9-9. Sv—Montgomery (31). HRs—Chicago, Thomas (21), Bell (21).

NATIONAL LEAGUE

Houston 000 040 020—6 8 0
Philadelphia 001 000 000—1 6 2
B. Williams, Murphy (8), Boever (9) and Taubensee; Ashby, Abbott (6), C. Brantley (8), Mathews (9) and Daulton. W—B.Williams, 5-4. L—Ashby, 1-1.

Cincinnati 020 000 010—3 8 1
Montreal 100 100 13x—6 10 1
Belcher, Dibble (6) and Oliver; Gardner, Rojas (8), Wetteland (8) and Laker. W—Wetteland, 3-3. L—Belcher, 10-12. HR—Montreal, Alou (6).

St. Louis 100 100 000 3—5 10 0
Atlanta 010 000 100 0—2 7 1
(10 innings)
Osborne, Worrell (8), Perez (9), La. Smith (10) and Pagnozzi, Gedman (10); Smoltz, Mercker (10), St. Claire (10) and Olson, Berryhill (9). W—Perez, 7-2. L—Mercker, 3-2. Sv—La. Smith (32).

Pittsburgh 000 300 200—5 9 0
San Francisco 000 040 00x—4 8 0
Wakefield, Cooke (7) and LaValliere; Burkett, Hickerson (7), Jackson (8), Beck (9) and Colbert, Manwaring (9). W—Burkett, 11-6. L—Wakefield, 3-1. Sv—Beck (13). HR—San Francisco, R. Thompson (12).

Chicago 002 000 000 001—3 15 1
Los Angeles 000 000 011 000—2 12 1
(12 innings)
G. Maddux, McElroy (9), J.D.Robinson (10), Scanlan (12) and Girardi, Wilkins (10); Ojeda, McDowell (6), Gott (9), Howell (10), Candelaria (12) and Hernandez. W—J. D. Robinson, 3-2. L—Howell, 1-3. Sv—Scanlan (8).

Saturday's Line Scores

AMERICAN LEAGUE

Seattle 114 100 030—9 12 0
Boston 120 004 12x—10 14 1
Hanson, Jones (2), Schooler (6), Barton (7), Swan (8) and Valle; Haskell, Gardner (3), Young (5), Harris (8), Fossas (9), Reardon (9) and Wedge. W—Harris, 3-7. L—Barton, 0-1. Sv—Reardon (26). HRs—Seattle, Bulmer (20), Boone (1). Boston, Valentin (1), Brunansky (13).

Texas 000 001 000—1 5 1
Cleveland 010 012 20x—6 12 0
Witt, Rogers (6), Burns (7), Russell (8) and Rodriguez; Armstrong, Wickander (6), Power (6), Lilliquist (8), Plunk (9) and Ortiz. W—Armstrong, 5-13. L—Witt, 9-12. HR—Cleveland, Sorrento (16).

Kansas City 000 107 000—2 10 1
Chicago 010 020 00x—3 6 1
Pichardo, Sauveur (6), Shifflett (7), Magnante (8) and Macfarlane, Mayne (8); Hibbard, Leach (6), Alvarez (7), Thigpen (8), Radinsky (9) and Karkovice. W—Hibbard, 9-5. L—Pichardo, 7-5. Sv—Radinsky (14). HRs—Kansas City, Macfarlane (13). Chicago, Sax (3).

California 000 000 000—0 4 2
New York 000 201 02x—3 9 0
Finley and Tinsley, Fitzgerald (9); Perez, Farr (9) and Stanley. W—Perez, 10-13. L—Finley, 6-10. Sv—Farr (19). HRs—New York, Hayes (15), P. Kelly (5).

Oakland 311 000 000—5 10 0
Baltimore 030 000 00x—3 5 0
Campbell, Parrett (5), Eckersley (8) and Steinbach; Lewis, Frohwirth (3), Clements (8), Olson (9) and Holles. W—Parrett, 9-1. L—Lewis, 1-1. Sv—Eckersley (39).

Detroit 000 000 001—1 5 1
Milwaukee 100 100 12x—5 11 0
Tanana, Kiely (8) and Tettleton; Eldred, Austin (8), Henry (9) and Surhoff. W—Eldred, 4-1. L—Tanana, 11-8. HR—Detroit, Deer (24).

Toronto 002 100 100—4 8 1
Minnesota 010 000 001—2 9 1
Morris, Ward (8), Henke (9) and Borders; West, Edens (4), Guthrie (7), Willis (8) and Harper. W—Morris, 16-5. L—West, 1-2. Sv—Henke (22).

NATIONAL LEAGUE

Pittsburgh 024 010 110—9 13 0
San Francisco 101 000 000—2 5 0
Drabek, B. Patterson (9) and LaValliere; Oliveras, J. Perez (3), J. Brantley (6), Righetti (8) and Manwaring. W—Drabek, 10-9. L—Oliveras, 0-3. HRs—Pittsburgh, Bell (6), Bonds (21). LaValliere (2). San Francisco, W. Clark (14).

St. Louis 000 020 000—2 4 0
Atlanta 000 102 00x—3 6 1
Clark, Carpenter (7) and Gedman; P. Smith and Berryhill. W—P. Smith, 3-0. L—Clark, 2-7. HR—Atlanta, Justice (11).

Cincinnati 010 000 000—1 5 2
Montreal 000 002 01x—3 10 1
Swindell, Bankhead (7), Charlton (8) and Oliver; Barnes, Rojas (6), Fassero (8), Wetteland (8) and Carter, Laker (8). W—Rojas, 4-1. L—Swindell, 12-6. Sv—Wetteland (28). HR—Montreal, Grissom (11).

Houston 013 100 072—14 18 0
Philadelphia 131 101 002—9 13 2
Harnisch, Blair (6), Hernandez (7), D. Jones (8) and Servais; Mulholland, Hartley (7), Abbott (7), Ayrault (7), Mitch Williams (9) and Daulton. W—Blair, 3-6. L—Hartley, 5-5. HRs—Houston, Incaviglia (10). Philadelphia, Hollins (18), Jordan (4).

New York 000 000 200—2 4 0
San Diego 000 110 11x—4 7 0
Schourek, Innis (7), Guetterman (8) and O'Brien, Hundley (8); Hurst, Myers (9) and Santiago. W—Hurst, 13-7. L—Schourek, 3-6. Sv—Myers (26). HRs—New York, Bonilla (15). San Diego, Sheffield 2 (27), Santiago (7).

St. Louis 000 020 000—2 4 0
Atlanta 000 000 00x—0 4 1
Tudor, K. Patterson (7). Scanlon (9) and Wilkins; Gross, Candelaria (9), Gott (9) and Sciascia. W—K. Patterson, 2-2. L—Candelaria, 2-4. Sv—Scanlon (9). HRs—Chicago, Wilkins (5). Los Angeles, Butler (3), Rodriguez (3).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	54	40	0	.575	—
Hanshin	53	46	1	.535	3½
Yomiuri	53	48	0	.525	4½
Hiroshima	49	47	0	.510	6
Taiyo	44	56	1	.441	13
Chunichi	41	57	0	.418	15

Saturday's Results
Hiroshima 8, Yakult 7
Hanshin 7, Yomiuri 1
Taiyo 7, Chunichi 6
Sunday's Results
Yakult 4, Hiroshima 1
Hanshin 1, Yomiuri 0
Taiyo 4, Chunichi 2

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	61	33	2	.646	—
Kintetsu	50	38	5	.565	8
Nippon Ham	45	51	2	.469	17
Daiei	43	53	1	.449	19
Orix	41	51	4	.448	19
Lotte	41	55	1	.428	21

Saturday's Results
Orix 3, Seibu 0
Lotte 6, Nippon Ham 0
Kintetsu vs. Daiei, ppd., rain
Sunday's Results
Seibu 6, Orix 5
Kintetsu 2, Daiei 1
Lotte 2, Nippon Ham 0

SOCCER

DUTCH FIRST DIVISION

Willem II Tilburg 6, FC Twente Enschede 1
MVV Maastricht 0, FC Utrecht 3
BVV Den Bosch 2, SVV Dordrecht '90 0
Cambuur Leeuwarden 0, Sparta Rotterdam 0
Feyenoord Rotterdam 4, Fortuna Sittard 1
Ajax Amsterdam 3, Go Ahead Eagles 1
Roda JC Kerkrade 1, FC Volendam 0
Vitesse Arnhem 0, FC Groningen 0
Standings: Feyenoord Rotterdam 4, Ajax Amsterdam 4, FC Utrecht 3, BVV Den Bosch 3, PSV Eindhoven 2, Cambuur Leeuwarden 2, FC Groningen 2, Vitesse Arnhem 2, Sparta Rotterdam 2, Roda JC Kerkrade 2, FC Twente Enschede 2, RKC Waalwijk 1, Willem II Tilburg 1, FC Volendam 1, Go Ahead Eagles 1, Fortuna Sittard 1, MVV Maastricht 1, SVV/Dordrecht '90 0.

ENGLISH PREMIER DIVISION

Aston Villa 1, Southampton 1
Blackburn 1, Manchester City 0
Manchester United 1, Ipswich 1
Middlesbrough 4, Leeds 1
Norwich 1, Everton 1
Oldham 5, Nottingham Forest 3
Queens Park Rangers 3, Sheffield United 2
Sheffield Wednesday 3, Chelsea 3
Tottenham 2, Crystal Palace 2
Wimbledon 1, Coventry 2
Standings: Coventry 9, Norwich 7, Queens Park Rangers 7, Blackburn 7, Middlesbrough 6, Everton 5, Oldham 5, Sheffield Wednesday 5, Ipswich 5, Leeds 4, Crystal Palace 3, Aston Villa 3, Liverpool 3, Sheffield United 2, Nottingham Forest 3, Chelsea 2, Southampton 2, Tottenham 2, Manchester City 1, Manchester United 1, Wimbledon 0, Arsenal 0.

FRENCH FIRST DIVISION

Lens 0, Le Havre 0
Monaco 3, Nimes 1
Bordeaux 1, Toulon 1
Marseille 3, Metz 2
St. Etienne 3, Toulouse 2
Sochaux 1, Lyon 0
Strasbourg 0, Paris St. Germain 4
Montpellier 2, Lille 0
Caen 3, Valenciennes 0
Nantes 2, Auxerre 1
Standings: Paris St. Germain 4, Montpellier 4, Nantes 5, Marseille 5, Auxerre 4, Monaco 4, Bordeaux 4, Strasbourg 4, Sochaux 4, Le Havre 3, St. Etienne 3, Caen 2, Metz 2, Lens 2, Lille 2, Toulon 2, Lyon 1, Nimes 1, Toulouse 0, Valenciennes 0.

GERMAN FIRST DIVISION

VfB Stuttgart 3, FC Nuremberg 0
Saarbruecken 2, Karlsruhe SC 0
Borussia Moenchengladbach 1, VfL Bochum 1
Borussia Dortmund 0, Schalke 2
Bayern Munich 1, Kaiserslautern 0
FC Cologne 0, Eintracht Frankfurt 1
Werder Bremen 1, Leverkusen 1
Standings: Bayern Munich 4, VfB Stuttgart 3, FC Saarbruecken 3, Wattenscheid 3, Eintracht Frankfurt 3, Schalke 2, Karlsruher SC 2, VfL Bochum 2, Dynamo Dresden 2, Hamburger SV 2, Bayer Leverkusen 2, Werder Bremen 2, Kaiserslautern 2, Borussia Moench. 1, Borussia Dortmund 1, Bayer Uerdingen 1, FC Nuremberg 1, FC Cologne 0.

ITALIAN CUP

First Round
Cagliari 1, Sambenedettese 0

FOOTBALL

NFL Preseason

Friday's Result
San Francisco 20, San Diego 14
Saturday's Results
Houston 33, New Orleans 3
Washington 27, Los Angeles Raiders 23
Detroit 42, New England 9
Cincinnati 35, Indianapolis 0
New York Jets 28, New York Giants 14
Miami 22, Tampa Bay 7
Dallas 17, Denver 3
Los Angeles Rams 16, Green Bay 13, OT
Seattle 17, Phoenix 10

CRICKET

FIRST TEST
Australia vs. Sri Lanka, Fifth day
Saturday, in Colombo
Australia 1st innings: 256
Sri Lanka 1st innings: 547-8
Australia 2d innings: 471
Sri Lanka 2d innings: 164
Result: Australia won by 16 runs.

INTERNATIONAL
Pakistan vs. England, Fourth day
Sunday, in London
Pakistan first innings: 204-5
England first innings: 201
Result: Pakistan wins by three runs but England lead 3-1 in the five-match series.

CYCLING

Championship of Zurich

Results in the 240-kilometer World Cup cycle race on Sunday: 1, Vladislav Ekimov, Panasonic. Former Soviet Union, six hours one second; 2, Lance Armstrong, Motorola, U.S., 14 seconds behind; 3, Jan Nevens, Lotto, Belgium, same time; 4, Guido Bontempi, Carrera, Italy, 34 seconds behind.

5, Bruno Leali, Ariostea, Italy; 6, Martin Earley, PDM, Ireland; 7, Marc Madiot, Teleksm, France, all same time; 8, Laurent Jalabert, ONCE, France, 59 seconds behind; 9, Adri van der Poel, Tulip, Netherlands, all same time.cwd

Overall Cup standings after eight of 12 events: 1, Olaf Ludwig, Panasonic, Germany, 101 points; 2, Johan Museeuw, Lotto, Belgium, 74; 3, Raul Alcala, PDM, Mexico, 72; 4, Gilbert Duclos-Lassalle, Z, France, 64; 5, Dirk de Wolf, Gatorade, Belgium, 58; 6, Jalabert, 57; 7, Claudio Chiappucci, Carrera, Italy, 55; 7, Massimo Ghirotto, Carrera, Italy, 55; 9, Steven Rooks, Buckler, Netherlands, 54; 10, Sean Kelly, Festina, Ireland, 50; 10, Jacky Durand, Castorama, France, 50; 10, Ekimov, 50.

RUGBY

TEST MATCH
Saturday, in Cape Town
Australia 26, South Africa 3

TENNIS

HARDCOURTS TOURNAMENT
Saturday, in Indianapolis
Singles, Semifinals
Jim Courier (1), U.S., def. Todd Martin, United States, 7-6 (7-5), 7-6 (7-4); Pete Sampras (2), U.S., def. Boris Becker (3), Germany, 6-7 (3-7), 6-2, 7-6 (7-3).
Doubles, Semifinals
Jim Grabb and Richey Reneberg, United States (2) def. Dave Randall and Kenny Thorne, United States, 6-4, 7-6 (7-3); Grant Connell and Glenn Michibata, Canada, def. John Fitzgerald, Australia, and Anders Jarryd (1), Sweden, 4-6, 6-4, 6-3.

CANADIAN OPEN
Saturday, in Montreal
Singles, Semifinals
Monica Seles (1), Yugoslavia, def. Lori McNeil (8), U.S., 6-3, 6-4; Arantxa Sanchez Vicario (2), Spain, def. Helena Sukova (7), Czechoslovakia, 6-2, 7-5.

VOLVO INTERNATIONAL
Saturday, in New Haven, Connecticut
Singles, Quarterfinals
Stefan Edberg (1), Sweden, (1), def. Guy Forget (7), France 6-3 6-7 (7-3) 6-4; Ivan Lendl (5), U.S., def. Michael Chang, U.S., 6-3 7-6 (9-7); Malivai Washington (8), U.S., def. Goran Ivanisevic (2), Croatia, 6-4 7-5; Fabrice Santoro, France, def. Petr Korda (4), Czechoslovakia, 7-6 (8-6) 4-6 6-3.

TRANSACTIONS

BASEBALL
American League
BALTIMORE—Recalled Richie Lewis, pitcher, from Rochester, International League. Put Joe Orsulak, outfielder, on 15-day disabled list, retroactive to Aug. 15.
CALIFORNIA—Assigned Dana Ridenour, pitcher, to Edmonton, Pacific Coast League.
NEW YORK—Recalled Russ Springer, pitcher, from Columbus, International League. Assigned Sean Twitty, outfielder, to Fort Lauderdale, Florida State League. Waived Shawn Hillegas, pitcher.
SEATTLE—Acquired Tim Leary, pitcher, and cash from the New York Yankees for Sean Twitty, outfielder. Placed Erik Hanson, pitcher, on 15-day disabled list. Optioned Shane Turner, outfielder, to Calgary, PCL.
National League
MONTREAL—Traded Dana Ridenour, pitcher, California for future considerations.
PHILADELPHIA—Put Wes Chamberlain, outfielder, on 15-day disabled list, retroactive to Aug. 19. Recalled Tom Marsh, outfielder, from Scranton-Wilkes-Barre, IL.
SAN DIEGO—Activated Greg Harris, pitcher, from 15-day disabled list. Optioned Frank Seminara, pitcher, to Las Vegas, PCL.

FOOTBALL
National Football League
MIAMI—Signed Chris Dressel, tight end.
NEW ORLEANS—Signed Gene Atkins and Brett Maxie, safeties, to two-year contract.
PHILADELPHIA—Traded Brad Goebel, quarterback, to Cleveland for conditional 1993 draft pick. Agreed to terms with Roger Ruzek, kicker; Calvin Williams, wide receiver; and Byron Evans, linebacker, on 2-year contracts. Put Brad Goebel, linebacker, on injured reserve. Signed Andre Waters, safety, to 2-year contract. Waived Dennis McKnight, offensive lineman, and Don Overton, running back.
PITTSBURGH—Agreed to terms with Tunch Ilkin, offensive tackle, on 1-year contract.
SAN DIEGO—Released Greg Jordan, defensive end.
SAN FRANCISCO—Waived Robbie Keen, punter; Gary Morris, wide receiver; Isaac Harris, offensive tackle; Chris Dressel, tight end; Derrick Crudup, safety, and Steve Bates, defensive end. Waived Scott Asman, tight end; Kevin Evans, wide receiver; Dale Hatcher, punter; Darian Hagan, safety; John Robert Holland, defensive back, and Robbie Keen, punter-kicker.
SEATTLE—Put Larry Skinner, tight end, on injured reserve.
TAMPA BAY—Agreed to terms with Tim Newton, nose tackle, and Tom McHale, guard, on 2-year contracts. Signed Ricky Reynolds, defensive back, to 2-year contract.
WASHINGTON—Waived Gerald Riggs, running back.

HOCKEY
National Hockey League
NHL—Arbitrator determined league's average salary for 1991-92 was $348,683 and that Ric Nattress and Steve Konroyd, defensemen, were eligible for free agency because their salaries fell below the average. Nattress, who was with Toronto signed an offer sheet with Philadelphia. Konroyd re-signed with Hartford.
LOS ANGELES—Named Rick Minch director of media relations.
N.Y. ISLANDERS—Re-signed Patrick Flatley, right wing, to multiyear contract. Signed Rich Pilon, defenseman, to multiyear contract. Named Darcy Regier assistant general manager.
N.Y. RANGERS—Signed Frederik Jax, right wing, and Michael Stewart, defenseman.
PHILADELPHIA—Named Mark Plaza public relations director.
ST. LOUIS—Signed Vitaly Prokhorov, left wing.
TAMPA BAY—Signed Mark Green, center, and Jeff Gardiner, left wing.

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DENNIS THE MENACE



"HEY WAIT A MINUTE! WE'RE GONNA HAVE TO LEAVE SOME OF THOSE CLOTHES HOME!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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HAMER
GLEMIN
RUGEDD



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE ____ TO ____ (Answers tomorrow)

Saturday's Jumbles: WEDGE PANSY BEHELD GOITER
Answer: When a patient has a fever, he should consult a doctor who has the right - - - DEGREES

PEANUTS



BLONDIE



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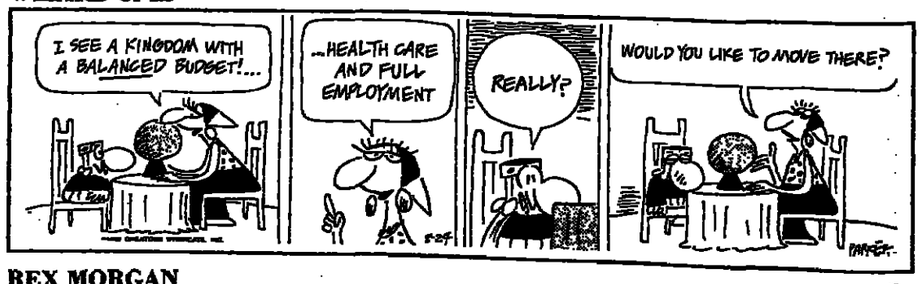
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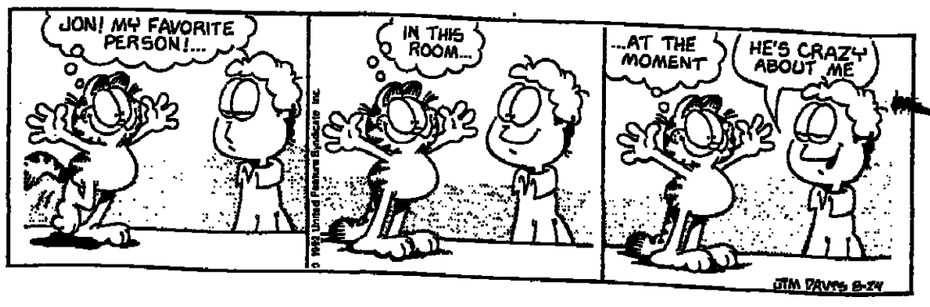
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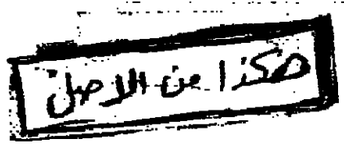


REX MORGAN



GARFIELD





هكذا من الاصل

MONDAY SPORTS FOOTBALL

USOC's Walker Tries To Buck Tide of Money

By Ira Berkow
New York Times Service

NEW YORK — A vision came to mind: LeRoy Walker, that good and well-intentioned man, trying single-handedly to fend off the barbarians at the gate with a track baton.

This was mentioned to Walker, who has been nominated to be president of the United States Olympic Committee. He thought for a moment and then offered another image: "I've got my finger in the dike of idealism, but I don't know how long I can keep it there until we're overwhelmed by the flood of the commercialism."

It appears clear, though, that the Olympics are already deep in the raging flood of commercialism and professionalism and crass pragmatism, to employ Walker's analogy.

Yet Walker embraces this antediluvian idea that the Olympics as a wholesome experience ought to be better than they are, or as they have been treated by some of the participants, especially some Americans at the Barcelona Games, the sainted Dream Teamers included.

Vantage Point

For one thing, Walker thinks there was too much whining by some American athletes who didn't win gold medals. "What's the disgrace of a silver or bronze?" he asked. "I heard some losing athletes complain about the humidity, and someone else said he didn't get a good start, and we had another who finished fourth" — this was Gwen Torrence in the 100 meters — "who said the three ahead of her had taken drugs.

"What's wrong with saying: 'The other guy beat me. But tomorrow's another issue'?"

Walker — who was in town from Atlanta to participate in the announcement that Juan Antonio Samaranch, president of the International Olympic Committee, was being awarded the Jesse Owens Global Award — has no problem with the United States' not dominating the Olympics. He does not see it, as even some on the USOC board do, that the fate of our nation is imperiled by any underabundance of medals.

"The world has caught up to us," Walker said. "We might as well face it. Twenty nations were in double digits in medals this Olympics. Sixty-four nations won medals. It used to be that there would be a short list with the U.S.S.R., the U.S.A., the G.D.R. — now there's a whole page of nations. It's great. Why should we be threatened? So from out of nowhere comes a sprinter from Namibia to win a medal. And the Unified Team wins several team events even though its country is in upheaval. It says something about the human spirit and all of us, Americans included, should appreciate it, not lament it."

Walker had a quarrel with how the Dream Team was picked: "I like having our best represented, and I have no problem with professionals in the Olympics — we have them in tennis, in soccer, in hockey, we have track guys making a million dollars a year and we give cash prizes to archers — but I'd like to have college kids eligible to try out for the team. As it was, the USA basketball federation abdicated its responsibility and didn't so much choose a team as anoint one. Not only did you have to be in the NBA to be eligible for this team, you had to be a superstar in the league.

"There was one collegian, of course, Christian Laettner, but he was a kind of token. You shouldn't stifle some kid's dream by not giving him a chance, however remote, of making the team."

WALKER SAYS that disenfranchisement of any sort repels him. This matter goes to the heart of the man. When he was a track coach at what is now North Carolina Central, a predominantly black university, Walker, now 76, was turned away from restaurants and hotels in the South, and he remembers having to drive 200 miles with his team to find a place to eat and to sleep.

He also believes that the "Olympic Village experience," the mingling of the athletes from various sports and various countries, is educational and humanizing. "Nobody comes home from it unchanged," Walker said. So he was unhappy that the Dream Teamers, staying at a $900-a-night hotel outside the village, took only minimal advantage of it. "The next time," he said, "I'd like to see only athletes who agree to all the Olympic terms take part in the Olympics."

As for commercialism, he says that the "tab" of the Atlanta Olympics in 1996 will be $1.4 billion. "Somebody's got to pay it, and it's my job to protect the sponsors," he said.

But for all the logos and commercials and brand-name tags and stickers, Walker still seeks to keep the Olympics special. "Like Christmas," he said. "Both are in danger of being ruined by the marketplace, and neither will ever return to how they were ideally conceived, but both are still worth saving."

Yes, Virginia, there is a Santa Claus. And yes, Virginia, there is a LeRoy Walker. But both are on perilous ground. To mix a metaphor, the barbarians appear to be at high tide.



Bob Galbraith/Associated Press

Martin Mayhew of the Redskins going for his second touchdown in 12 seconds on an interception.

Falcons Hold Off Eagles, 20-10, in Georgia Dome

The Associated Press

Chris Miller inaugurated the new Georgia Dome just the way he wished, with a touchdown pass on Atlanta's first offensive play on Sunday.

Miller connected with Michael Haynes on a 76-yarder to erase an early 3-0 deficit as the Falcons beat the Philadelphia Eagles, 20-10, in a preseason game.

NFL PRESEASON

Miller also threw a 20-yard scoring pass to Tony Jones in the second quarter. He completed 15 of 28 passes for 263 yards.

Randall Cunningham had led the Eagles to the early lead with his running, going for 40, 11 and 3 yards in the game's first possession to set up Ian Howfield's 33-yard field goal with 7:01 left in the first quarter.

Following the Miller-Haynes score, Cunningham completed two short passes, then raced 20 yards to the Atlanta 42 where Scott Case was called for a personal foul.

Cunningham left with a pulled groin and saw no more action, although the Eagles said he was available. Former Falcon David Archer took over and completed the 80-yard scoring drive.

Archer got the touchdown on a 10-yard run, giving the Eagles a 10-7 lead 40 seconds before the end of the opening period.

Atlanta's other scoring came on field goals of 25 and 47 yards by Norm Johnson, the last putting the game away with 48 seconds left.

In games played Saturday:

Redskins 27, Raiders 23: In Los Angeles, the Redskins beat the Raiders on the scoreboard, but the Raiders beat the defending Super Bowl champions decisively in the statistics department.

Three big plays all resulted in Redskin touchdowns, but none were generated by an offense that finished the day with only 11 first downs and 145 yards by rushing and passing.

The Raiders had 23 first downs and 378 yards in total offense. But they have lost all three of their preseason games.

Cornerback Martin Mayhew made the first two Washington touchdowns, intercepting passes by Jay Schroeder on consecutive scrimmage plays and returning both for scores.

Rams 16, Packers 13 (OT): In Anaheim, California, rookie punter Steve Domingos pulled out the victory with his third field goal of the game, a 36-yard boot that capped a 45-yard drive for Los Angeles on its first possession of the extra period.

Seahawks 17, Cardinals 10: In Seattle, Kelly Stouffer passed to tight end Paul Green for two touchdowns in the first half as Seattle improved its preason record to 2-1.

Cowboys 17, Broncos 3: In Irving, Texas, the Cowboys (2-2) took a 7-0 lead on a big turnaround just before the end of the first period after Larry Brown intercepted a John Elway pass at the Dallas 14 and Troy Aikman directed an 87-yard scoring drive.

Jets 20, Giants 14: In East Rutherford, New Jersey, the Jets won their fourth straight exhibition game for the first time in 26 years. Although the Giants (2-1) scored 14 points in the fourth quarter, the Jets already had built a 20-0 margin.

Dolphins 22, Bucs 7: In Miami, fourth-string quarterback Doug Pederson threw two touchdown passes in the final period to help Miami over Tampa Bay. The Dolphins improved to 3-1; Tampa Bay slipped to 1-2.

Bengals 20, Colts 0: Dave Shula took the wraps off his offense in his home opener as coach of Cincinnati (1-2), and Boomer Esiason completed 17 of 24 passes for 230 yards and a touchdown. The Colts dropped to 1-2.

Lions 42, Patriots 9: In Pontiac, Michigan, Mel Gray caught one scoring pass and returned a kickoff 95 yards for another touchdown to power Detroit (1-2) past New England (0-3).

Miami and Washington Start Right Where They Finished

The Associated Press

NEW YORK — A new college football season is starting with an old debate: Who's No. 1, Miami or Washington?

Last year, the Hurricanes and Huskies split the national championship after they both went 12-0. Miami was No. 1 in The Associated Press writers' poll, while Washington finished first in the USA Today-CNN coaches' survey.

This year, Miami is No. 1 and Washington is No. 2 in the AP preseason poll.

Miami received 40 first-place votes and 1,511 points from a nationwide panel of sports writers and broadcasters. Washington got 12 first-place votes and 1,453 points.

Being No. 1 is nothing new for Miami, which has won four national championships in the last nine years.

"It's a little bit of an extra burden, but we're used to it by now," coach Dennis Erickson said. "Everybody is always ready to play us, whether we're No. 1 or not."

If the Hurricanes finish in the top spot, they will become the first back-to-back AP champions since Alabama in 1978-79 and the first preseason pick to win the national title since Oklahoma in 1985.

"That's out there and we know it," Erickson said. "But our goal hasn't changed. Every year, we want to compete for the national championship and go to a major bowl."

Notre Dame is third in the preseason poll with six first-place votes and 1,405 points. Florida is fourth, followed by Florida State, Michigan, Texas A&M, Penn State, Alabama and Syracuse.

Florida State, Michigan, Texas A&M and Alabama each got one first-place vote.

Nebraska is 11th, trailed by Colorado, Clemson, Georgia, Oklahoma, Iowa, Stanford, UCLA, Ohio State, California, Tennessee, Mississippi State, Georgia Tech, BYU and Texas.

For the second straight year, three teams from Florida start the season in the top five.

When Florida State meets Miami at the Orange Bowl on Oct. 3, the outcome may play a major role in determining the national champion. Miami also has tough tests at Iowa, Penn State, Syracuse and San Diego State.

The Hurricanes got a new challenge last Tuesday, when star receiver Lamar Thomas and reserve running back Jason Marucci were indicted on charges of fraudulently obtaining financial aid. It was unclear whether they would be allowed to play this season.

"Obviously, we've had some distractions," Erickson said, "but he had distractions last year and we still went undefeated. Right now, it doesn't seem to be affecting us. But I guess we won't really know until we play a few games."

Arsenal Gets First Victory At Liverpool

Compiled by Our Staff From Dispatches

LIVERPOOL — Swedish international Anders Limpar and England's Ian Wright scored second-half goals to launch a battling Arsenal up from second-last in the Premier League league with a 2-0 win over Liverpool Sunday.

Arsenal manager George Graham had said he would demand more aggression from his title favorites after dismal defeats in their first two games. And that was exactly what the club did, showing uncompromising effort, skill and contact to defeat Liverpool and jump eight places in the league table.

"We are back among the big boys now," said Graham.

Limpar opened the scoring in the 53rd minute, slipping the ball past goalkeeper David James after a messy period of play in front of goal. Wright grabbed the second in the 80th minute. Liverpool was lucky to concede only two goals thanks to fine saves by James.

Coventry, which struggled last season to avoid relegation, leads the table with nine points — the only undefeated club after three rounds — after beating Wimbledon Saturday. *(UPI, AP)*

Oilers Tune Out the Saints

The Associated Press

NEW ORLEANS — The Houston Oilers not only drubbed the Saints, 33-3, at the Superdome, they shut down an even bigger enemy — the noise of the crowd. Under an NFL-sanctioned experiment, both the starting and backup quarterbacks and tackles for each team were allowed to wear transmitters and receivers to help communications among players.

The devices were activated only when a team made it inside its opponent's 20-yard line, leaving the Saints turned off for most of the game. Teams complain that they are at a disadvantage on the road.

David Williams, an Oilers tackle, said: "There were a couple of instances early when I could hear the crowd and I could hear Warren (Moon) real good. Where normally I'm looking in at him trying to get the snap count and watch the ball, this way I can watch my opponent."



Maria Bauinni/Associated Press

That's 521 hours as David Warady crossed finish line in New York.

A Cross-Country Race For Real, in Two Months

By Robert McG. Thomas Jr.
New York Times Service

NEW YORK — Looking every bit as fresh as someone who had just run 2,935.8 miles in 64 eight-hour days, 35-year-old David Warady breezed into Central Park to claim victory in the first annual Runner's World Trans America Footrace.

Warady had left his home town of Huntington Beach, California, on June 20, along with 27 other ultramarathoners. He was one of 13 survivors who made it to the finish line after traversing 13 states in stages ranging from 30 to 60 miles (48 to 96 kilometers), in conditions that included temperatures of 120 degrees (50 degrees centigrade) and mountainous climbs at 12,000 feet (3,600 meters).

"I feel great," said Warady, whose time of 521 hours, 35 minutes and 57 seconds (21 days and 18 hours) became the foundation record for what the organizer, the Ultra Marathon Runners Association, and the chief sponsor, Runner's World magazine, hope to make an annual event.

Warady, who won only 10 of the race's 64 stages but whose steadiness built up such a lead that his victory had long been virtually assured, coasted through the last stages of the event, finishing almost 6 hours ahead of his nearest competitor, 32-year-old Milan Milanovic of Switzerland (527:16:21).

The race's youngest competitor, Tom Rogozinski, 22, of Pittsburgh, who led the race for six days in Kansas and Missouri before developing a stress fracture and who led the field with 16 stage victories, was third (528:48:54). Richard Westbrook, 45, of Jonesboro, Georgia, was fourth (537:33:04).

When Warady was given an examination at the end of the race as part of a research project to determine the extent of physical deterioration caused by such a long and grueling run, Dr. Mark McKeigue was astounded.

"His blood pressure was 115 over 60: a teen-ager's," he said, "and his pulse was a textbook 72."



Associated Press

WHEELING — Chris Boardman, Britain's Olympic pursuit champion, kept the pace as he smashed the 5,000-meter world record in 5 minutes, 38.083 seconds in Leicester, England.

Sampras Stops Courier in Hardcourt

United Press International

INDIANAPOLIS — Pete Sampras defeated Jim Courier, 6-4, 6-4 on Sunday to win the $1.04 million U.S. Hardcourt Championship.

Sampras, the defending champion and second seed, defeated the world's No. 1 player and the winner of the Australian and French Open titles. He has won five of his six career meetings with Courier.

The tournament victory is Sampras's second in two weeks. He won last week's ATP Championship in Cincinnati.

■ Edberg Advances to Volvo Final

Stefan Edberg advanced to the final of the Volvo International on Sunday with a 7-6 (7-2), 4-6, 6-3 victory over Ivan Lendl, news agencies reported from New Haven, Connecticut.

Edberg, the top seed from Sweden, has been preparing to defend his title at the upcoming U.S. Open. In the Volvo title match on Monday, he was to play the winner of Sunday's other semifinal between MaliVai Washington of the United States and Fabrice Santoro of France.

On Saturday, Washington upset Goran Ivanisevic of Croatia, the Wimbledon finalist and second seed, 6-4, 7-5. Santoro surprised fourth-seed Petr Korda of Czechoslovakia, 7-6 (8-6), 4-6, 6-3.

Nearly four days of heavy rain during the week caused problems with the newly surfaced stadium court at the Connecticut Tennis Center.

On Saturday, Edberg refused to fold under pressure from seventh-seeded Guy Forget of France and rallied for a 6-3, 6-7, 6-4 win. *(UPI, Reuters)*

■ Sánchez Vicario Wins Canadian Open

Arantxa Sánchez Vicario defeated Monica Seles, 6-4, 3-6, 6-4 on Sunday to win the Canadian Open, United Press International reported from Montreal.

SIDELINES

Matthaeus Heading Back to Bayern

FRANKFURT (Reuters) — Lothar Matthaeus, captain of Germany's World Cup championship soccer team, will return to the FC Bayern Munich of the German Bundesliga.

The club's vice president, Franz Beckenbauer, told a German television station Saturday that an agreement had been reached that would bring Matthaeus, 31, back to the club he left in 1988 for the Italian league. "We are actually in agreement, even for the transfer fee," Beckenbauer said. He disclosed no financial details.

Matthaeus was named the World Footballer of 1990 after leading Germany to the World Cup championship that year. He has played for Inter Milan in Italy since 1988, where his contract is said to be worth $3.3 million a year.

Singh's 26-Under Wins German Open

DUSSELDORF (AFP) — Vijay Singh of Fiji shot a record-equaling 64 for the second straight day to cruise to victory Sunday in the German Open. Singh finished with a 26-under-par total of 262, 11 strokes ahead of Jose Manuel Carriles of Spain.

Australian Wayne Grady and Ian Woosnam took the next two places, as Singh racked up the biggest winning margin since Colin Montgomerie of Scotland captured the 1989 Portuguese title, also by 11.

● Todd Hamilton of the United States shot a 1-over-par 73 Sunday for a 16-under total of 272 to win the Maruman Open in Hatoyamamachi, Japan. Masashi Ozaki, who started the final round seven strokes off the lead, shot 67 to finish second at 273.

Ekimov Sprints to Cycling Victory

ZURICH (AP) — Viacheslav Ekimov of Russia sprinted past Lance Armstrong of the United States with 2 kilometers (1.2 miles) to go Sunday and won the 79th annual Zurich World Cup cycling race.

Ekimov, a three-time world professional individual pursuit champion, pulled ahead of Armstrong and Jan Nevens of Belgium as they neared the last leg of the fifth and final lap around the 48-kilometer course.

Armstrong, who turned professional after the Barcelona Olympics, finished second, 15 seconds behind Ekimov, and Nevens was third in the same time as Armstrong.

St. Helens Upsets Wigan in Rugby

GATESHEAD, England (AP) — Something went wrong with Wigan on Sunday and St. Helens took full advantage, whitewashing the defending champion, 17-0, in English rugby league's preseason Charity Shield.

St. Helens opened the scoring in the 17th minute with a drop goal from former Wigan scrumhalf Gus O'Donnell. With the Wigan defense appearing nonexistent in the first half, St. Helens captain Shane Cooper scored the first of three Saints' tries in the 28th minute.

For the Record

A fan was stabbed to death by the supporter of a rival team in an argument over a soccer scarf after a German first division match, the police in Dortmund reported Sunday. *(AP)*

Wayne Rainey took the early lead and ran away to a 13-second victory in the Brazilian Grand Prix motorcycle race Sunday, closing within two points of championship leader Michael Doohan and setting up a duel for the title in the season's final race, in South Africa on Sept. 6. *(AP)*

Mike Wise, 28, a former defensive lineman for the Los Angeles Raiders, was found dead in his home, the coroner's office said over the weekend in a brief statement that did not list the cause of death. *(AP)*

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For the Taste of a Time, a Gift for Survival

"Gasterea is the tenth Muse: the delights of taste are her domain." Brillat-Savarin

International Herald Tribune

PARIS — In the century and a half since his "La Physiologie du goût" came out, Jean-Anthelme Brillat-Savarin has come down in legend as a great cook and the author of such aphorisms as:

- "Animals feed: man eats: only the man of intellect knows how to eat."
- "The fate of nations depends on the way they eat."
- "Dessert without cheese is like a pretty woman with only one eye."

A fat and rosy little man in a chef's toque? No: Brillat-Savarin stood 5 feet, 10 inches (177 centimeters) tall and,

MARY BLUME

when not plumped out by a season of eating rich game dishes, was an imposing figure. "The drum major of the Court of Appeals," Balzac called him. Brillat was not a cook but a lawyer and a judge.

Even today the great French chefs do not write well on food, a subject left to philosophers and professional men (one of the best contemporary books on cheese is also by a judge). Brillat's other, minor, books are on the law, on dueling, and pornographic stories. His masterpiece is not a cookbook but a miscellany of reflections, autobiography, and scientific snippets somewhat marred by the author's confusion about albumen, fats and hydrocarbons. He called his book "meditations on transcendental gastronomy." It has sections on dieting and on medicine but in general he preferred natural cures:

"A heavy drinker," he writes, "was offered grapes at dessert. 'No, thank you,' he said, pushing the dish away from him. 'I am not in the habit of taking my wine in the form of pills.' "

Giles MacDonogh, a British historian and the biographer of Brillat's rival and inspiration, Grimod de la Reynière, has written "Brillat-Savarin: The Judge and His Stomach" (published by John Murray in London), which is less about Brillat-Savarin's major book than about the times he so miraculously survived.

Survival was Brillat's greatest gift. Born into the landed bourgeoisie of provincial France, he was, as it became useful, a monarchist, a Jacobin, a Girondin, an émigré, a Bonapartist and then a monarchist once again. His political suppleness saved him and finally killed him. At the age of 70, only two months after "La Physiologie du goût" had been published with great success, he was summoned rather threateningly to the annual expiatory mass for Louis XVI — "Your presence will be all the more welcome for us by *virtue of its being for the first time*" — and of course he went although suffering from a bad cold. He got pneumonia and died on Feb. 8, 1826.

What MacDonogh's book captures is not only the parlous times but the role food played in a period where the restaurant was a recent invention and where one ate much better in the provinces than in Paris.

Brillat-Savarin had the good fortune to be born in 1755 in Belley, 50 miles (80 kilometers) east of Lyon, where Gertrude Stein and Alice B. Toklas, hefty eaters, later settled. Bresse and its splendid poultry was nearby, as was Nantua with its crayfish-based sauces. The fields were filled with game, there were many kinds of mushrooms, truffles, black pigs which were far superior to the large white, imported from Britain and Scandinavia, which have



Roger-Viollet

Brillat-Savarin: A lawyer not a cook.

taken their place, and even the turnips had a remarkable black skin and sweet taste.

His father was a lawyer. His mother, la Belle Aurore, invented a paté and was the cousin of Madame Récamier, whom Brillat, like so many other men, adored and who gave him a recipe for tuna fish omelette. The last words of his sister, who died at 99, were, "Bring me my dessert."

Except during his years as an exile in New York, Brillat returned home each autumn to shoot and visit and participate in amateur musicales and enjoy the calm civilities of local life. A friend of his father had been a friend of Voltaire, the handsome local bishop had, it was rumored, won his post thanks to Madame de Pompadour, a mother superior of his acquaintance taught him to make chocolate and a canon at his school gave him a recipe for spinach. The dish was started on Sunday to be eaten the following Friday and each day the spinach was reheated with the addition of a fresh dollop of butter. As Talleyrand said, no one who had not lived before the Revolution could know how sweet life was.

The summoning of the Estates General in 1788 — Brillat was elected by 326 votes out of 345 — changed the young lawyer's life forever, though it began pleasantly enough with his discovery of the new restaurants and the shady pleasures of the Palais Royal. Eating well was never so fashionable. It was said that gluttony caused Louis XVI to be arrested when escaping to Varennes: He had been unable to resist lingering for a dish of pigs' trotters cooked *à la sainte-menehould*.

In 1793, Brillat-Savarin, who had added an aristocratic "de" to his name while a law student, learned that despite his political trimming he was to be seized and arraigned by the Revolutionary Tribunal. He fled to Switzerland and then to New York, having on the way met a sailor whose tongue had been cut out by pirates. How did he manage to taste food? Brillat wondered.

In New York he taught French, played the violin in the John Street theater, acquired a mistress and dined on turtle soup, Welsh rabbit and cider in Little Michael's Tavern on Broadway. Invited to the wilds of Connecticut, he went shooting and had the partridge served in little pastry packets, the squirrels stewed in Madeira, and the wild turkey — an exciting novelty — stuffed with onions, garlic, mushrooms and anchovies.

He returned to Paris in 1796, set about having his name removed from the list of émigrés, and rose to the position of state prosecutor for the Seine-et-Oise. One of his colleagues there was obsessed by sugar, his clerk had an unlimited appetite for oysters. The cases he dealt with were dull.

Under Bonaparte he was re-appointed to the bench and became a friend of Pierre-Paul Henrion de Pansey, a fellow jurist and kindred spirit who once told a gathering of three of France's most prominent scientists, "I regard the discovery of a new dish, which sustains our appetite and prolongs our enjoyment, as an event of far greater interest than the discovery of a star: we can already see quite enough of those."

Brillat wrote a book on political economy which favored retirement pensions, pedestrians' rights and the cultivation of the potato. He attended the coronation of Napoléon and was made a chevalier of the Legion d'Honneur and president of the Cour de Cassation. With the restoration of the monarchy he revived his *particule* and claimed that his loyalty to the crown had been unswerving.

For all his years in Paris he remained a companionable countryman at heart. He brought his dog to court (she ate one of his briefs) and, it was said, carried a decomposing woodcock in his pocket so that he might judge from its state of putrefaction precisely when it should be put on the spit.

He returned to the country regularly to gossip, admire the peasant girls, take long walks with a volume of Horace in hand, and feast on Bresse pullets, thrushes and ducks grilled on dried vines, crayfish and artichokes, which he thought were aphrodisiac.

The success of Grimod de la Reynière's "Almanach des Gourmands" and a book by Brillat's godson, Anthelme Richerand, made it clear that gastronomy was the coming subject ("the very word makes everyone's ears prick up," Richerand told Brillat in 1825). "La Physiologie du goût" was published at Brillat-Savarin's expense, its anonymous author identified as "Un Professeur." Grimod said it was better than his own writings, an opinion Balzac later echoed, finding Grimod overblown. "Brillat-Savarin's humor has a higher degree of Atticism," Balzac said.

Gastronomy had won its title of respectability and Henrion de Pansey said, "I do not believe the sciences will be sufficiently honored or represented until I see a cook sitting under the dome of the Académie Française." A fanciful thought then, but plausible today.

Brillat-Savarin enjoyed little of the book's success, having been stricken by his fatal pneumonia so soon after publication. He died as he lived, his godson said: "He left life like a well-fed guest leaving a banquet . . . without weakness, without regret."

LANGUAGE

Di, Charles and the Accent Gap

By Steve Lohr

NEW YORK — For months, tabloid scribes and authors of gossipy best-sellers have offered millions of readers lurid, even shocking stories of the rift between the Prince and Princess of Wales. Now a British linguist, John Honey, provides an unusual spin on that familiar subject. Differences in age, interests and tastes are one thing, but the real schism, Honey suggests, may be in how the two speak the English language. "There is a huge accent gap between Charles and Diana," says Honey, the author of the 1989 book "Does Accent Matter? The Pygmalion Factor."

The accent factor cannot be easily dismissed, given the British obsession with speech accents, so definitively spoofed in George Bernard Shaw's 1912 play "Pygmalion." In his preface to the play, Shaw declared, "It is impossible for an Englishman to open his mouth without making another Englishman hate or despise him."

Honey, an itinerant English professor educated at Cambridge and Oxford who is currently teaching in Japan, created a stir in Britain when his book was published. He urged Britons to acknowledge that speech accents are the coding of the class system and to strike a blow for equality by teaching everyone to speak the Queen's English, which Honey termed "received pronunciation," or RP. The classic example of RP would be the crisp, clipped speech of most BBC news readers.

The Charles-Di split, then, is a matter of two different styles of upper-class speech. Prince Charles speaks a marked version of RP — the upper-crust English, oozing privilege, spoken today mainly by senior members of the royal family, old Etonians and aging Oxford and Cambridge dons. RP speakers pronounce "cloth" as *clawth* and talk about the *lorst pah of the British Empah* (the "lost power of the British Empire").

Princess Diana has swung to the other end of the RP spectrum, including traces of popular London speech, that approaches cockney. Its most prominent feature is "t-glotalling," which means strangling the final "t" in most words. Expert ears, for example, have detected Diana saying *there's a lo' of i' abou'* for "there's a lot of it about."

□

British aristospeak, of course, embraces words and usage as well as sounds. It is learned from Mummy and Daddy, the family nanny, at public (that is, private) school, on the polo field and in the drawing room. According to Harold B. Brooks-Baker of Burke's Peerage, the British aristocracy is defined as the roughly 80,000 descendants of the 150 landowning families that were titled before the Industrial Revolution — before the government began passing out titles wholesale to their financial backers in business.

In this world, one spreads *jam*, instead of preserves, on one's toast. When it rains, one wears a *mackintosh*, not a raincoat. These are examples of "U" and "non-U" usage that separate the upper class (the "U") from the rest of the population. The U and non-U categories were introduced by Professor Alan Ross of Birmingham University in a Finnish philological journal in 1954 and were popularized a year later by Nancy Mitford in a provocative essay that became the centerpiece of her 1956 book, "Noblesse Oblige."

John Marenbon, an English professor at Trinity College, Cambridge, notes that expressions and slang sometimes associated with the British aristocracy extend well beyond the 80,000 blue bloods because "there's so much more mixing, at least linguistically, than there was in the past." The private boarding schools have become the incubators for this mixing because, starting at age 7, children from the middle, upper-middle and upper classes attend these schools.

So, just as a bit of cockney has filtered into Buckingham Palace, some upper-class lingo has migrated into the mainstream. Ordinary folk, for instance, have picked up the slang and acronyms of the Sloane Rangers, upper-class young adults who live near Sloane Square in London, even though they drip with class-ridden tribalism — like PLU (people like us) and NQOCD (not quite our class, dear).

□

John Simpson, co-editor of the Oxford English Dictionary, is working on a new volume, the Oxford Dictionary of Modern Slang, that includes the informal speech of the upper class. He cites *bumf*, also spelled *bumph*, as an expression — usually contemptuous — for "paper documents." Government studies, corporate news releases and junk mail are called *bumf*. Simpson explains that its current meaning can be traced to the 19th-century public-school expression for "toilet paper," which was "bum fodder." Later, it came to mean any paper regarded as expendable.

A more recent addition to the lexicon of upper-class slang is *brill*, short for "brilliant," meaning "wonderful." Simpson notes that it appeared in the Pony Club Annual, a publication for the horsy set, in 1982: "What a *brill* idea." Another citation came from the Martin Amis novel "Money," published in 1984: "Maybe he's *brill* in the bag."

The origin of *yonks* is unknown, but it is widely used to mean "a long time," or "ages," mainly in the phrase "for *yonks*." Simpson cites a 1984 reference in The Listener magazine: "The English have been writing poetry for yonks, and have become damned good at it too."

Hunting and polo images, not surprisingly, have made their way into upper-class slang. A *bolter* is a husband or wife who bolts from a marriage, often with a lover. In "Diana in Private: The Princess Nobody Knows," the author, Lady Colin Campbell, referring to a friend of the Princess of Wales, wrote: "She promptly bolted, though the object of her desires did not act reciprocally."

Bounder, which used to mean "a person of objectionable manners or anti-social behavior," is now often "someone who aspires to a higher class, or puts on airs." By the unwritten rules of the British class system, a pretense of higher rank is antisocial behavior.

For his part, Jonathon Green, editor of The Dictionary of Contemporary Slang (Pan Books), sees juvenile nostalgia in upper-class expressions like *crispies* (for "money"), *stiffies* (for "party invitations") and *wrinklies* (for "older adults").

"A lot of British upper-class slang comes from the world of the nursery," Green says, "just like the food in English gentlemen's clubs. It reflects a longing to be back there where everything is comfy and wonderful."

New York Times Service

Steve Lohr, a reporter for The New York Times who was a correspondent in Times's London bureau from 1985 to 1989, is filling in for William Safire.

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